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SOVIETS MAKE NEW ARMS REDUCTION PROPOSAL AT GENEVA

OW170318 Beijing XINHUA in English 0306 GMT 17 Jan 86

[Text] Geneva, January 16 (XINHUA) -- The fourth round of Soviet-American arms talks opened here yesterday with a short but formal two hour session.

The two delegations met in a large new salon in the Soviet mission prompting chief Soviet negotiator Victor Karpov to say that the surroundings, which are much more spacious than where previous negotiations were held, should also offer more room for discussion by the two sides.

Karpov said he hoped the American delegation would make "appropriate efforts to reach an agreement."

His American counterpart, Max Kampelman, said the United States had come to Geneva "in a constructive spirit" and that he hoped the two sides could find ways to move the world away from nuclear war.

Karpov formally presented to the American side Soviet leader Mikhail Gorbachev's arms reduction proposals which he announced yesterday.

These call for a 50 percent reduction in nuclear arms by both superpowers in the next five to eight years. After this has been achieved Gorbachev proposes that other nuclear-capable countries begin disarmament and that by 1999 all nuclear weapons be eliminated. Moscow also announced a three-month extension of the expired moratorium on nuclear tests that it had announced last August.

Karpov told reporters here that the Soviet union "wants to discuss the new proposals in detail," during the present round of negotiations.

A source close to the American delegation said the U.S. objection to the Soviet proposal rests on the fact that the disarmament plan is contingent on the U.S. abandoning President Reagan's "star wars" project to which both the U.S. and a number of its NATO allies are committed.

Reagan 'Very Grateful'

OW170234 Beijing XINHUA in English 0224 GMT 17 Jan 86

[Text] Washington, January 16 (XINHUA) -- President Ronald Reagan told reporters this morning that the United States is "very grateful" for the latest Soviet proposal on arms control. But he said that it remains to be seen whether the proposal represents a serious Soviet commitment to negotiate on arms control agreeement.

Taking part in a picture-taking session in the cabinet room of the White House, Reagan told reporters that the Soviet proposal was "different from things that we've heard in the past from leaders in the Soviet Union." "We are studying it with great care and it's going to depend now on what takes place in Geneva" where the fourth round of negotiations started today.

Asked whether the Soviet proposal represented a new commitment from Moscow to work out an agreement, Reagan said: "We're going to find out."

Meanwhile, White House spokesman Larry Speakes today called on the Soviet Union to back up its latest offer with concrete details at the negotiating table in Geneva.

"We hope the details of the Soviet proposal will prove to represent a helpful step in the arms reduction process and the implementation of the joint statement's call for early progress," he said, referring to the joint statement issued at the Geneva summit last November. If the Soviet proposal is a propaganda, "that will be quickly borne out in Geneva," he said.

Speakes said that Reagan remains "totally committed" to his "star wars" program despite the renewed Soviet appeal for a U.S. abandonment of the program as a condition for deep arms reduction. The spokesman also said the United States is "suspicious" of Soviet intentions and compliance with its unilateral nuclear testing moratorium which took place from August to the end of last year.

White House officials said Reagan received a letter yesterday from Gorbachev, which outlined a broad timetable for the elimination of all nuclear weapons by the end of the century and announced a three-month extension of the Soviet moratorium on nuclear tests.

White House Reaction

OW162039 Beijing XINHUA in English 1959 GMT 16 Jan 86

[Text] Washington, January 16 (XINHUA) -- The United States generally welcomed the latest Soviet proposal on arms control but expressed serious concern about many of the elements in it.

In a White House statement yesterday, President Reagan said: "I welcome the Soviets' latest response and hope that it represents a helpful further step in the process." "We, together, with our allies, will give careful study" to Gorbachev's suggestions Reagan said. But he added that many elements of the latest Soviet proposal "are unchanged from previous Soviet positions and continue to cause us serious concern", although "there are others that at first glance may be constructive".

White House officials said Reagan received a letter yesterday from the Soviet leader, which outlined his proposal shortly before it was published in Moscow.

Gorbachev proposed a broad timetable for the elimination of all nuclear weapons by the end of the century and announced a three-month extension of the Soviet moratorium on nuclear tests. But he stressed that this comprehensive disarmament process could start only if the United States joins the Soviet Union in renouncing "the development, testing and deployment of space strike weapons", the Soviet term of Reagan's Strategic Defense Initiative (SDI).

While viewing this as an effort intended to put more international pressure on the United States to abandon SDI, the Reagan administration is "very interested" in some of Gorbachev's extensive proposal, according to White House officials quoted by the press reports here. The officials were particularly intrigued by Gorbachev's proposal for "complete liquidation" of U.S. and Soviet medium-range missiles in Europe. They noted that the proposal was devoid of the previous Soviet demand that British and French nuclear systems be counted against weapons allowed to the United States in Europe.

"The most significant movement appears to have taken place in the area of intermediate-range nuclear forces, although the language requires clarification," said one official who is involved in arms control issues.

At the same time, the White House officials said that some points in Gorbachev's proposal were less significant and encouraging, particularly his insistence on U.S. ban of SDI program, a condition the Reagan administration has repeatedly rejected.

They also noted that the three-month extension of Soviet moratorium on nuclear tests was meaningless because, they said, the Soviet Union usually did very little underground nuclear testing in the first three months of the year.

U.S. Officials Comment

OW162035 Beijing XINHUA in English 1955 GMT 16 Jan 86

[Text] Washington, January 16 (XINHUA) -- U.S. Secretary of State George Shultz today dismissed Soviet leader Mikhail Gorbachev's comprehensive arms control proposal, made public yesterday in Moscow, as a "bid for public opinion" and a further move by Moscow to put pressure on the United States to abandon the "star wars" program.

Interviewed on the Columbia Broadcasting System's "Morning News" program, Shultz said that the seriousness of the proposal "would have been highlighted if it had been tabled first in Geneva, or basically the United States would have been given a chance to take a look at it before it went public".

Anyway, he said, "They've tabled it and we are responding to it publicly as best we can on short notice." "But the place for the negotiation, of course, is Geneva," he stressed.

Meanwhile on Capitol Hill, Senator John Warner, who heads a strategic weapons subcommittee, told reporters that the United States should view the Soviet proposal "with cautious optimism". "The dangers are whether they have done this for propaganda," he said.

In a statement yesterday, President Reagan welcomed Gorbachev's proposal but said that many elements contained in the proposal "are unchanged from previous Soviet positions and continue to cause us serious concern".

UK Studying Proposal

OW170732 Beijing XINHUA in English 0716 GMT 17 Jan 86

[Text] London, January 16 (XINHUA) -- Soviet leader Mikhail Gorbachev's new arms control proposals contain new elements that should be studied carefully, the British Foreign Office said today.

A Foreign Office spokesman said the proposals contain "new elements which will require full and careful study," although it was a repetition of existing ideas.

According to the spokesman, details of the latest Soviet three-stage plan to eliminate nuclear weapons by the year 2000 were presented to the Foreign Office last night by the Soviet ambassador to the U.K., Victor Popov.

FRG To Study Proposal

OW170746 Beijing XINHUA in English 0646 GMT 17 Jan 86

[Text] Bonn, January 16 (XINHUA) -- The Federal German Government today welcomed the new proposal on arms reduction put forward by Soviet leader Mikhail Gorbachev and promised to study it carefully.

Gorbachev proposed in Moscow Wednesday night total elimination of nuclear weapons by the end of the century.

Federal German Chancellor Helmut Kohl said in the newspaper BILD ZEITUNG, to be published Friday, that the Federal Government would give a "careful study" of the Soviet proposal.

The Christian Democratic Union-Christian Social Union parliamentary group's spokesman for disarmament policy Todenhofer said that Gorbachev's proposal had concrete new contents, which, he said, increased the possibility of a breakthrough in arms reduction. He said that the ruling parties would carefully study the new proposal in a constructive spirit.

Vice-Chancellor and Federal Minister for Foreign Affairs Hans-Dietrich Genscher said that his government hoped the new Soviet proposal would stand the test in the search for essential progress in nuclear arms reduction.

Genscher said that Bonn, together with Western allies would carefully study the new contents of the proposal.

Japan Withholds Comment

OW162006 Beijing XINHUA in English 1948 GMT 16 Jan 86

[Text] Tokyo, January 16 (XINHUA) -- Japan today withheld direct comment on Soviet leader Mikhail Gorbachev's new three-stage disarmament proposal.

In a statement released here, the Japanese Foreign Ministry said that it would rather not comment on the specifics of the proposal at this time because it is broad-ranging and there are many points requiring further clarification. The ministry said much study needs to be done on the details of the proposal.

The statement reiterated Japan's basic position that if SS-20 missiles are withdrawn from the European theater, the same arrangements should also prevail in Asia. However, the statement said "It is worth noting that Gorbachev has taken the position that in the long-term perspective looking ahead to the 21st century nuclear weapons must ultimately be abolished."

Perez de Cuellar Welcomes Proposal

OW170313 Beijing XINHUA in English 0246 GMT 17 Jan 86

[Text] United Nations, January 16 (XINHUA) -- U.N. Secretary-General Perez de Cuellar welcomes the latest disarmament proposals initiated by Soviet leader Gorbachev, a U.N. spokesman said at a regular noon news briefing today.

The U.N. secretary-general received a personal communication from General Secretary Gorbachev through a Soviet representative late yesterday, the spokesman said. It outlined the comprehensive proposals on a number of "highly important disarmament issues."

Gorbachev's proposals were made public yesterday in Moscow, which include a call for elimination of all nuclear weapons by the year 2000.

The secretary-general hoped that "these and other initiatives directed at freeing the world from the threat of nuclear conflict." The arms race will receive the most careful study, both in U.S.-Soviet negotiations and multilateral forums, he said.

LIAOWANG HAILS INTERNATIONAL YEAR OF PEACE

HK160725 Beijing LIAOWANG in Chinese No 1, 6 Jan 86 p 4

[Commentator's article: "Welcoming the International Peace Year"]

[Text] In order to promote the worldwide activities for safeguarding peace, the United Nations has named 1986 "International Peace Year." Like people all over the world, the Chinese people also need peace. Peace and development are the two major questions that the present world has to handle, and peace is a necessary condition for development. Therefore, the Chinese people support the UN decision and are willing to join other peoples of the world in carrying out an unremitting struggle to safeguard world peace.

Since the founding of the PRC, China has scored brilliant achievements in all fields of socialist construction over the past 3 decades and more, but the country has not yet completely freed herself from the long-standing backward economic and cultural conditions. Since the 3d Plenary Session of the 11th CPC Central Committee, the party has shifted the focus of its work to socialist modernization construction. The whole party and the whole nation will work with one heart and one mind to realize our modernization program and will build China into a modern socialist country with her own characteristics through decades or even a century's efforts, so as to achieve the goal of making our country strong and making our people rich and to place our country in the ranks of the world's advanced countries. Therefore, China needs a stable international environment for a long time to come. Proceeding from the interests of the Chinese people and from the interests of all peoples in the world, the Chinese Government has adopted a foreign policy based on the principles of independence, self-determination, and peace, and has committed itself to the tasks of opposing hegemonism and maintaining world peace.

In the past, the Chinese people tasted to the full the bitterness caused by the imperialist powers' contention over their country and the imperialist powers' armed invasions of their motherland. In modern human history, all worldwide wars have been caused by big powers' contention for hegemony and for their spheres of influence. Hegemonism is the root cause of all worldwide wars. Only by opposing hegemonism can we safeguard world peace; and one must oppose hegemonism if one is to maintain world peace. At all times, China will firmly oppose hegemonism in any field. China will not enter into an alliance with any big power, but this does not mean that China is pursuing a neutral and equidistant policy. We will judge the rights and wrongs on the merit of each case by seeing whether an event is favorable to peace and whether it is in the interests of the Third World, the people of the whole world, and the Chinese people, and we will independently decide our position on the basis of this judgment. China is still an economically, culturally, and technologically less developed country, but China is a big country with a population of 1 billion people. So China's pursuit of an independent foreign policy will be the best way to contribute to the maintenance of world peace.

China will never participate in any arms race, and will oppose all arms races. In the international arena, China has decided to reduce its army by 1 million troops and to shift some of its military industrial establishments to civilian consumer goods production. Meanwhile, some military airports and ports in China will also be open for civilian use. The Army is going all out to train its soldiers as people capable of both military and civilian work.

Since her early years, the PRC has begun to pursue a peace policy and to regard the Five Principles for Peaceful Coexistence as the norm for international relations.

China does not establish military bases and station troops in other countries, does not seek hegemony, and does not interfere in other countries' internal affairs. This has won high prestige for China in the international community. China is sincerely willing to get along in harmony with every country on the basis of the Five Principles for Peaceful Coexistence and to conduct economic and technological exchanges and develop relations with them on the basis of equality and mutual benefit. We will not determine whether to be friendly or distant toward a country according to the difference or similarity in social system and ideology between the two countries. If all countries in the world can really handle international relations according to the Five Principles for Peaceful Coexistence, then world peace will be guaranteed.

Like China, other Third World nations also suffered profoundly from the big power's contention for hegemony and wars in the past, and today they are also facing the arduous task of building and developing their own countries. They constitute an important force for safeguarding world peace. China always sides with the Third World countries and supports their just struggle to safeguard national sovereignty and independence, to oppose imperialism, colonialism, hegemonism, and racism and to jointly maintain world peace. At present, the world trend is that more and more countries are concerned with world peace and the easing of international tensions. Now, the danger of war remains as the superpowers are still engaged in an arms race which is expanding to outer space; but the factors that check war and the forces for maintaining world peace are also growing and have surpassed the growth in the factors that may lead to the outbreak of war. The maintenance of world peace is a matter concerning all mankind. Now, to usher in the international peace year, the Chinese people are to join all peace-loving countries and peoples in the world in taking vigorous action and making contributions to the cause of peace. As long as all peace-loving countries and peoples in the world continue to be united in their common struggle, we believe that world peace will certainly be maintained and a new world war will be prevented.

'HARSH' U.S. ATTITUDE TOWARD S PACIFIC ZONE VIEWED

OW161026 Beijing XINHUA in English 0829 GMT 16 Jan 86

["Roundup: U.S. Harsh Attitude Towards South Pacific Nuclear-Free Zone (by Sun Tingzheng)" — XINHUA headline]

[Text] Canberra, January 16 (XINHUA) — A U.S. congressmen delegation came to the region and uttered hardening words to both New Zealand and Australia, urging them to alter their nuclear-ban policy. This happened before a South Pacific Forum delegation is going to visit five nuclear powers, seeking their endorsement to the South Pacific nuclear-free zone treaty.

The 12-member U.S. House of Representatives Armed Services Committee delegation is led by New York Democrat Sam Stratton. Before leaving Washington on January 8, Sam Stratton announced that the delegation will hold talks with the recipient nations about the South Pacific nuclear-free zone treaty as well as the influence the treaty would have on the ANZUS alliance (among Australia, New Zealand and the U.S.).

The delegation has already visited New Zealand, French Polynesia and Antarctica before their arrival in Australia on January 14.

After meeting Australian Prime Minister Bob Hawke in Sydney yesterday, the U.S. delegation at a press conference gave the ANZUS allies a rather serious warning. Stratton said the South Pacific nuclear-free zone treaty "would proliferate the kind of thing the New Zealanders have been doing", and "some Australian politicians" were as "unrealistic" as the New Zealanders over the proposal to create a South Pacific nuclear-free zone. He said bluntly that Australia and the U.S. had differences of opinion over the nuclear-free zone treaty. The U.S. opposed a total ban on nuclear testing, which was a vital element of maintaining a credible nuclear deterrent.

Another member of the delegation Californian Republican Bob Badham said that New Zealand's action has been a "slap in the face" for the United States. However, he added that New Zealand is a "treasured and beloved ally", and the U.S. wants to resolve the problem amicably "in the realm of a family discussion". He noted that the reason why the congressmen had paid the visit to Australia was to consider whether "there are some sort of negotiations that can be done between the Australian Government and New Zealand." He declared that Washington might have to send New Zealand a "heavy signal".

The South Pacific nuclear-free zone treaty was adopted unanimously by thirteen member countries of the South Pacific Forum in Rarotonga, Cook Islands, last August. The treaty provides for ban on nuclear testing, the dumping of nuclear waste in the sea, the manufacture or storage of nuclear devices, and the diversion of nuclear materials from peaceful to military use. The treaty agrees that the participant countries decide by themselves whether to allow foreign nuclear armed or powered ships into their ports providing that nuclear weapons will not be used against any South Pacific country.

Observers here believe that a tit for tat struggle will continue among the ANZUS allies. Washington would not endure the "slap in the face", but still hopes to maintain close tripartite relations by exerting certain pressure on its two allies. There is no strong indication, however, that New Zealand and Australia will succumb to this pressure.

The route to South Pacific nuclear-free zone is not smooth. Four of the thirteen countries in the region haven't yet signed the treaty.

More tortuous is that, the French Government's hard commitment's to continuing the nuclear tests at Mururoa in the South Pacific apart from the controversial attitude of the United States.

GROUP DISCLOSES U.S. UNDERGROUND NUCLEAR TESTS

OW152149 Beijing XINHUA in English 1935 GMT 15 Jan 86

[Text] Washington, January 15 (XINHUA) -- The United States conducted as many as 19 unannounced underground nuclear tests from 1980 to 1984, according to a study by a private American research group.

The study, prepared by the Natural Resources Defense Council and quoted by the press here today, revealed for the first time the scope of the U.S. nuclear testing since the Reagan administration decided in 1982 to black out all nuclear tests conducted by both the United States and the Soviet Union.

The U.S. Administration has announced that it carried out altogether 82 underground nuclear tests from 1980 to 1984, including eight that were conducted for Britain.

The study showed that the first four years of the Reagan administration were the most active period for American nuclear tests since 1970 and were about one-third more active than during the Carter administration.

In an interview with the WASHINGTON POST earlier this week, one of the authors of the study said that the secret nuclear tests stand in contrast to the Reagan administration's public-relations policy for its Strategic Defense Initiative (SDI). In an effort to build support for SDI at home, he said, the Defense Department frequently issues films and statements about successful tests of defensive weapons. But the fact is "they are also working on the next generation of nuclear weapons," he added.

Last month, the United States rejected once more a call by the Soviet Union to join its unilateral moratorium on nuclear testing started early last August.

SOVIET UNION

LI PENG MEETS USSR TRANSPORT, TRADE DELEGATIONS

OW161550 Beijing XINHUA in English 1512 GMT 16 Jan 86

[Text] Beijing, January 16 (XINHUA) -- Vice-Premier Li Peng met Soviet transport and trade delegations, both led by Soviet First Vice-Minister of Foreign Trade G. K. Zhuravlev, here today.

The delegations have been invited here by the Chinese Ministry of Foreign Economic Relations and Trade to discuss the transport of goods between the countries and this year's bilateral trade.

Li welcomed the signing today of a summary of talks on 1986-1990 transport of foreign trade. He said he hoped trade links between China and the Soviet Union would develop steadily.

The summary was signed by Zhuravlev and Wang Pinqing, Chinese vice-minister of foreign economic relations and trade. Earlier, Zheng Tuobin, minister of foreign economic relations and trade, met the Soviet transport delegation.

PRC, USSR SIGN SPORTS EXCHANGE PROTOCOL

OW161530 Beijing XINHUA in English 1510 GMT 16 Jan 86

[Text] Beijing, January 16 (XINHUA) -- A 1986 Sino-Soviet sports exchange protocol was signed here today.

The document was signed by He Zhenliang, vice-minister of the Chinese Physical Culture and Sports Commission, and Rusak Nikolay Ivanovich, first vice-chairman of the Physical Culture and Sports Committee under the U.S.S.R. Council of Ministers [name and title as received].

Present on the signing ceremony was Li Menghua, minister of the Chinese Physical Culture and Sports Commission, who later gave a banquet in honour of all members of the Soviet sports workers' delegation led by Rusak Nikolay Ivanovich. Present on the two occasions was V. P. Fedotov, minister councellor o the Soviet Embassy here.

Rusak Nikolay Ivanovich and his party visited Shanghai and Guangzhou before they arrived here on January 9.

RENMIN RIBAO ON SOVIET USE OF TITLE 'HERO'

HK150309 Beijing RENMIN RIBAO in Chinese 8 Jan 86 p 6

["Jottings" by Xu Ping: "Trampling on the Title 'Hero'"]

[Text] In a battle somewhere in Konar Province in Afghanistan, down to the last of his ammunition and cut off from help, First Lieutenant (Kuzhynizhou) a member of the Soviet Army invading Afghanistan, surrounded by Afghan resistance forces, set off the last of his handgrenades, killing himself and the enemy. The Soviet authorities conferred the title of "Soviet Hero" on this lieutenant.

This information was recently carried in the Soviet Army publication KRASNAYA ZVEZDA. This newspaper gave the "heroic deeds" of this lieutenant general quite a buildup.

"Soviet Hero" -- this is of course an awe-inspring title. It may be recalled that during the period of the war to defend the country, an ordinary soldier named (Matulusov) was posthumously declared a Soviet hero for blocking the barrel of an enemy gun with his chest, since his munitions supply was exhausted.

This had a substantial "impact" on the Soviet people and the progressive people of various countries. Thousands upon thousands of Red Army fighters shouted the slogans "(Matulusov)-type fighters, forge ahead!" "Follow (Matulusov) in marching forward!" as they charged forward on the battlefield bravely resisting the German fascists. In the rear areas of the Soviet Union, at the workshops of various factories, or in the fields of collective farms, CYL members, whether at work or in struggle, all held up (Matulusov) as an example. In the Soviet Union at that time, (Matulusov) was not the only hero. (Zhozhi), (Shula), (Olika), and others were heroes who bravely sacrificed their lives for a just cause and were sources of inspiration to a great number of people in triumphing over the fascists. They not only lived in the memories of peace-loving people, but were also sources of strength that inspired the struggle of the people of various countries.

But 40-odd years have since passed. Given the Soviet Union's presence on the Afghan battlefield as an aggressor, everything has been done to build up (Kuzhynizhov) as a "Soviet hero" who was decorated with honors and medals. But all this has fallen flat, with . not so much as a ripple produced.

Why is it that two "Soviet Heroes," one 40 years ago and another later -- the same Soviets who shed their blood on the battlefield -- have made such a vastly different impact on people's minds? The only reason is that one is a hero who resisted aggression in defense of the motherland. He carried weight as a person who died on the solemn battlefield in defense of the motherland. Another is cannon fodder sacrificed to the Soviet policy of expansion. He carries no weight since he was a person who died in a battle of aggression against a small nation.

For a long time, to boost morale and dupe the people at home, Soviet media organs have always "dressed up" troops of the Soviet Army invading Afghanistan as "Soviet Heroes." But the Soviet regime also knows at heart that such propaganda has proved so "ineffective." So, as one report says, when wounded Soviet solders "made heroes" returned to the country from Afghanistan, they are greeted with no victory songs or ceremony of greeting. The bodies of thousands upon thousands of officers and men who have died in an unjust war can only be sent home quietly, with everything simplified. It may be asked: How can such "heroes" have a convincing and inspirational effect on others?

To put it bluntly, as far as many Soviet soldiers bogged down on the Afghan battlefield are concerned, the question that occupies their minds is not how to act as so-called "heroes" but "what are they fighting for in Afghanistan?" A Soviet soldier named (Nikolai Golovin) admitted that he had been decieved. he said: "This is not my motherland. This is not my nation. Why should I die here?" Given such an upset state of mind and no way to leave Afghanistan, more and more Soviet soldiers involved in the invasion of Afghanistan have disposed of military supplies, munitions, and even weapons to buy heroin to smoke in an attempt to escape from it all or to find an answer.

No one can hold his own as a hero with only a title. His magnificient deeds must have left an imprint on people's minds. The Soviet Union insists on including people like (Kuzhynizhov) among the ranks of "Soviet Heroes," but they end up only making a mockery of such a title of honor and its glorious history.

FURTHER COVERAGE OF ABE-SHEVARDNADZE TOKYO TALKS

LD161436 Beijing XINHUA in English 1325 GMT 16 Jan 86

[Text] Tokyo, January 16 (XINHUA) — Visiting Soviet Foreign Minister Eduard Shevardnadze today expressed concern at the U.S. military presence in Asia countering Abe's statement yesterday that Japan is anxious about the growing Soviet military buildup in the Far East. This was disclosed by a press release issued after the second round of Japan-Soviet foreign ministerial talks that ended here today.

Shevardnadze, the first Soviet foreign minister to visit Japan in 10 years, arrived yesterday for a five-day visit to probe the way of improving relations between Tokyo and Moscow.

Japanese Foreign Ministry spokesman Yoshio Hatano described today's talks as "very frank, constructive and cordial," in comparison with yesterday's "frank and businesslike" talks. The spokesman declined to elaborate.

The two ministers' second round of talks was held this morning at the Iikura Guesthouse under tight security. According to the press release, Shevardnadze explained the Soviet proposal on arms control and disarmament before the two ministers began to discuss regional issues.

The Soviet foreign minister renewed his country's call for promotion of "confidence-building measures and security guarantees in Asia," and reaffirmed the Soviet position on the Korean peninsula.

The press release said that Abe, in turn, explained the Japanese views on [words indistinct]. The two ministers are scheduled to hold the third round of talks later today.

Talks End 16 Jan

OW161957 Beijing XINHUA in English 1939 GMT 16 Jan 86

[Text] Tokyo, January 16 (XINHUA) -- Japanese and Soviet foreign ministers ended their two days of formal talks, convinced that more dialogues should be continued. Japanese Foreign Ministry officials, who asked not to be named, told reporters tonight that the two ministers discussed in some details the territorial dispute.

Japan has insisted that the northern islands issue is a major obstacle in the way of improving its relations with the Soviet Union while Moscow has repeatedly asserted that there is no territorial issue to talk about. The very fact that the two ministers sat to discuss the problem, as it is believed here, marks a minor concession by the Soviets although there is still no sign of any solution.

The Foreign Ministry officials declined to comment on today's discussion. Neither did he give an indication as to if and how the topic will be mentioned in the communique to be issued prior to Shevardnadze's departure.

On economic contacts, Shevardnadze welcomed Abe's proposal to upgrade the annual working-level trade consultations to a deputy ministerial one and to hold the first upgraded talks on March 11-12 in Moscow. However, Abe said that Japan has no plans to conclude a long-term economic cooperation pact proposed by the Soviet Union.

The Japanese foreign minister said that the four Japan-Soviet chemical projects will lead to an expansion of trade between the two countries. Shevardnadze expressed the hope that his country can reach a basic agreement with Japan on details of a natural gas project, the officials said. Abe said his government is ready to resume the Japan-Soviet Science and Technology Cooperation talks suspended after the Soviet invasion of Afghanistan.

The two ministers agreed that Abe will pay a return visit to Moscow this year before Shevardnadze's second trip to Japan in 1987. Meanwhile, the Soviet diplomatic chief pledged to make efforts to sign a culture pact with Japan when Abe is in Moscow later this year. According to the officials, Shevardnadze also explained Gorbachev's three-stage nuclear disarmament proposal announced yesterday. The two sides are expected to work on a joint communique to be published before the Soviet minister leaves for Pyongyang later this week.

JAPAN OPENS CONSULATE-GENERAL IN SHENYANG

OW161758 Beijing XINHUA in English 1605 GMT 16 Jan 86

[Text] Shenyang, January 16 (XINHUA) -- A Japanese consulate-general opened today in Shenyang, capital of Liaoning Province. Consul-General Takashi Arinobu held a reception in celebration of the opening this afternoon.

This is the third Japanese consulate-general in China, in addition to those in Shanghai and Guangzhou.

CHEN PIXIAN MEETS, FETES DPRK DELEGATION

OW160908 Beijing XINHUA in English 0903 GMT 16 Jan 86

[Text] Beijing, January 16 (XINHUA) -- Chen Pixian, vice-chairman of China's National People's Congress Standing Committee, met here today a delegation from the Red Cross Society of the Democratic People's Republic of Korea. The delegation is led by Son Song-pil, vice-chairman of the Korean Supreme People's Assembly and president of the Korean Red Cross Society.

During the meeting, Chen said that he was pleased with the frequent exchanges between the Chinese and Korean Red Cross Societies. Chen gave a luncheon for the Korean visitors after the meeting.

PRC, DPRK SIGN PROTOCOL FOR GOODS SUPPLY

OW161300 Beijing XINHUA in English 1239 GMT 16 Jan 86

[Text] Pyongyang, January 16 (XINHUA) -- A Sino-Korean protocol on mutual supply of goods for 1986 was signed here today by Chen Jie, representative of the Chinese minister of foreign trade, and Kim Paek-song, vice-minister of foreign trade of the Democratic People's Republic of Korea (DPRK). Chen and a Chinese Government trade delegation he is leading arrived here on January 3 for talks on the protocol. DPRK Vice-Premier and Chairman of the Foreign Trade Commission Kim Pok-sin received the Chinese delegation on Tuesday and expressed her satisfaction with the success of the talks.

The DPRK vice-premier noted that the implementation of the protocol will help strengthen the friendship between the two nations. On behalf of the DPRK Central People's Committee, Vice-President Pak Song-chol yesterday conferred on Chen the First Order of Friendship.

RENMIN RIBAO COMMENTARY ON CENTRAL AMERICAN PEACE

OW161940 Beijing XINHUA in English 1918 GMT 16 Jan 86

[Text] Beijing, January 16 (XINHUA) — The leading Chinese newspaper PEOPLE'S DAILY today praised the Contadora Group and the Lima group for their fresh effort which has brought about "new hope" for realizing peace in Central America.

The paper says in a commentary that the two groups, currently meeting in Venezuela, have issued a declaration reaffirming its resolve to push ahead with peace negotiations for Central America and setting out explicit steps and goals toward the end, after surmounting one difficulty after another. This, the paper says, "has brought a new hope of peace to Central America."

In recent years, the paper recalls, the Contadora Group has failed to conclude a peace pact for Central America even though dozens of meetings of different kinds had been held. Late last year, the nine-nation meeting attended by full-powered representatives also failed to arrive at an accord because of internal differences and outside meddling. Certain countries then called for a five-month moratorium on the peace mediation, thus halting the Contadora Group's peace efforts.

Under such circumstances, the paper says, the ability of the Contadora Group to work for peace was questioned in public opinion, with certain Western news agencies even alleging that its peace overtures were "dying."

Now, the opening of the foreign ministers meeting of the eight nations who formed the two groups has demonstrated that "the Contadora Group's peace overtures meet the interests and aspirations of the Central American people and enjoy widespread backing, thus testifying to the vitality of the Contadora spirit and the futility of those pessimistic allegations," the paper says.

It is noteworthy, the paper continues, that a disturbing, complicated situation has emerged in Central America after the peace efforts of the contador group were stalled. The declaration issued by the current foreign ministers meeting warned that "as Central American peace is now at stake, a diplomatic vacuum would be created in the region which might heighten tension. Hence it is necessary to instill new vitality into the Contadora-sponsored negotiations." It has been a long-held idea of the Contadora Group that "the sole fair and just solution to Central American issues lies in freeing the region from East-West rivalry and ensuring its peoples the right to self-determination without outside interference." This is a concentrated reflection of the Latin American peoples' will and aspirations, the paper notes.

The paper praises the Contadora Group for its "unreplaceable role" in Central American affairs in preventing the region from sliding into a crisis. "Any attempt to stall the peace process initiated by the Contadora Group will be spurned," the paper notes.

The paper concludes by saying that with the energetic backing of Latin American countries, the Contadora Group will press ahead with its peace process with even greater vigor and resolve, and no force can arrest it.

RENMIN RIBAO ON DEVELOPING SOUTH-SOUTH COOPERATION

HK150427 Beijing RENMIN RIBAO in Chinese 12 Jan 86 p 6

["World Affairs" column by Guo Weicheng: "Opening Up a Broad Scope for South-South Cooperation[]

[Text] A recent study of the Latin American economic system pointed out that Latin American countries can promote trade among them in the form of compensation trade. This form of trade does not require the direct use of foreign exchange, so it can solve the problem caused by Latin American countries' shortage of foreign exchange in the course of trade.

Although this proposal is still not sound enough, it shows a hopeful orientation in the development of trade. By changing the import of goods from areas outside Latin America to the purchase of similar goods from the same region, Latin American countries can save a great deal of foreign exchange. Theis will be a good way for them to overcome their economic difficulties. Commenting on this plan, a Latin American newspaper pointed out that this will "break new ground for a broad scope that has been left almost untapped." It added that the fact that most Latin American countries are short of foreign exchange shows "the existence of an actual foundation for trade in a compensation form."

We should say that the proposal on the Latin American economic system is full of imagination and is also realistic and feasible. In recent years, Latin American countries have been embittered by heavy foreign debt burdens. Each year they have to use huge amounts of foreign exchange to repay principal and interest. Some countries which have deeply run into debt have to use a large portion of their foreign exchange earnings to fill the abyss caused by international usury. In order to pay their debts, Latin American countries have tried by every possible means to expand exportation, but their efforts encounter the hurdle caused by the protectionist measures adopted by developed countries and by the decline in raw materials prices on international markets. This has made it more difficult for them to earn foreign exchange. They have been forced to reduce or even suspend the import of some necessary goods due to the serious shortage of foreign exchange. However, the reduction in import and export business has in turn led to an economic recession in these countries and affected their governments' revenue. Such a vicious cycle has adversely affected the economic development of Latin American countries.

Faced with this unfavorable situation, Latin American countries urgently need a method which can expand their import and exports and can also economize on foreign exchange. According to the proposal on the Latin American economic system, by carrying out trade in the form of compensation rather than on the basis of paying foreign exchange, the Latin American countries may achieve the above purpose. This is a scheme of great significance.

Moreover, this trade form can also be introduced to other regions beyond Latin America and be widely adopted by developing countries. When visiting four Latin American countries last year, Premier Zhao Ziyang repeatedly put forward his proposal for conducting barter trade between China and Latin American countries. In the course of barter, trade the two sides involved exchange goods and technologies of the same value without using hard currency in the deals. Premier Zhao's idea coincided with the proposal on the Latin American economic system and drew the attention of political and business circles of the four countries. They agreed that this would be an effective way to substantially increase trade between China and Latin American countries.

China's level of development is similar to that of the Latin American countries, and each side has its own special characteristics. We can first find out the other side's needs and then exchange goods for goods on the basis of mutual benefit. The value difference may be compensated through other means. This form of trade on the basis of barter and compensation will be greatly beneficial to both sides. Its significance not only lies in the expansion of cooperation between China and Latin America, but also lies in the first that it can be widely adopted as an important form in South-South cooperation.

In order to promote their own development, many developing countries are actively promoting North-South dialogue. However, further strengthening South-South cooperation is also an issue that urgently needs to be considered and solved. When calling for developed countries to remove their nontariff barriers and protectionist measures, developing countries should unite to do something through serious studies such as that on the Latin American economic system, so as to develop South-South cooperation and to build up our own economic strength. We can use South-South cooperation to promote North-South dialogue and to strive for the establishment of a new international economic order.

WU XUEQIAN SPEAKS AT NPC STANDING COMMITTEE SESSION

OW170333 Beijing XINHUA Domestic Service in Chinese 1428 GMT 16 Jan 86

[Text] Beijing, 16 Jan (XINHUA) -- Reporting at the 14th Session of the 6th NPC Standing Committee today on the world situation and China's diplomatic work in 1985, Wu Xueqian, state councillor and minister of foreign affairs, said that 1985 was a year in which China achieved new and major successes in its socialist modernization as well as fruitful results in carrying out its independent and peaceful diplomatic policy.

Wu Xueqian said: During the past year, China upheld its independent and peaceful diplomatic policy and carried out extensive diplomatic work. China's relations with various countries of the world grew. Our friends increased, and out international status and prestige rose. As an important force for peace and development in the world today, China won increasingly greater attention from the international community.

Commenting on developments and changes in the 1985 international situation, Wu Xueqian said: Generally speaking, the atmosphere of international tension relaxed somewhat over the past year, and this was most noticeable in U.S.-Soviet relations, which changed from rigid confrontation to confrontation with dialogue.

He said: Contacts and negotiations between the United States and the USSR continued in 1985. To prevent their confrontation from going out of control, both sides resumed their dialogue. This led to some relaxation of their bilateral relations and the atmosphere of the international situation. This is praiseworthy. However, the United States and the Soviet Union should take concrete steps toward a real relaxation of the international situation rather than simply paying lip service to statements about "not seeking military superiority" and "preventing the outbreak of war." They should reach agreement on drastically reducing their nuclear arsenals and stopping their arms race in outer space through earnest negotiations to create necessary conditions for a total ban and complete destruction of nuclear weapons.

He said: Although the United States and the Soviet Union have resumed their dialogue, their arms race still continues, and none of the "hot spots" -- regional problems endangering world peace and stability -- have been resolved. The Soviet military occupation of Afghanistan has gone on for 6 years, and Vietnam's war of aggression against Cambodia has gone on for 7 years. The intensification of the Soviet armed occupation of Afghanistan has failed to subdue the Afghan people. Rather, the Soviet Union has become bogged down even deeper in the quagmire and become very isolated internationally. Although the Soviet Union has stated that it is ready to settle the Afghanistan issue politically, it has shown no sincerity about troop withdrawal. The Vietnamese aggressor troops, backed by the Soviet Union, launched a dry-season offensive last year in an attempt to annihilate the patriotic forces fo Democratic Kampucha in one stroke. They failed. Democratic Kampuchean forces not only have preserved their effective strength, they have also penetrated deeper into the interior to carry out extensive guerrilla war. While trying to swallow up Cambodia by military means, Vietnam has continued to play the trick of settling the Cambodian issue politically in an attempt to deceive public opinion, undermine ASEAN unity, and divide the three forces of Democratic Kampuchea and annihilate them one by one. Confronted with military pressure and political conspiracy, the three patriotic forces headed by Samdech Norodom Sihanouk have withstood severe tests.

They have strengthened their solidarity in dealing with the enemy and are determined to carry out their patriotic struggle against Vietnam through to the end until final victory is won. Both Cambodia and Afghanistan are our neighbors, and we cannot help but show special concern for their being invaded and occupied. We firmly support the Cambodian and Afghan peoples' struggle against foreign aggression until they have driven out the foreign aggressors. The total withdrawal of Vietnamese troops from Cambodia is the key to settling the Cambodian issue politically. When Vietnam withdraws all its troops from Cambodia, lets the Cambodian people determine their own affairs, and stops its anti-China provocations, Sino-Vietnamese relations can improve, and peace and stability in Southeast Asia can be ensured.

Wu Xueqian said: The dialogue and contacts between the northern and southern parts of Korea last year produced some results. The situation on the Korean peninsula relaxed somewhat, but military confrontation still exists. We firmly support the DPRK's proposal for achieving independent and peaceful reunification and support North-South dialogue and all other efforts to ease tension on the Korean peninsula.

He said: In the Middle East, the conflicting parties turned from military confrontation to political negotiation. We support the lofty goal of the Arab countries and the Palestine Liberation Organization to recover their lost territory and restore their national rights through all forms of struggle; we support their proposal to discuss the Middle East issue at an international conference sponsored by the United Nations and attended by various parties concerned. In southern Africa, the South African authorities strengthened their racist rule, invaded and harassed neighboring countries, and obstructed the independence of Namibia. The situation there is turbulent. We support the African people's struggle against the South African authorities' racist and expansionist policies, and we support the Nambian people's struggle for national independence. Owing to interference from outside forces, the situation in Central America has become even more complex and unstable. We support the Contadora Group's peaceful efforts; we support the Central American countries' and people's struggle for national independence and sovereignty and against outside interference.

We Xueqian pointed out: The world economy also faced grave problems in 1985. The world's economic growth was noticeably slowing down. An overwhelming majority of countries were confronted with economic difficulties in varying degrees. Uneven world economic development continued, and frictions in international trade were exacerbated. The economic gap between the developed and Third World countries widened, and North-South dialogue was still deadlocked.

He said: The intermingling of East-West relations with North-South issues has complicated international relations and sharpened contradictions. Peace and development have become an increasingly important matter of concern to people the world over. It is the common aspiration of all people of the world to seek development in peace and to promote peace with development, and this aspiration has become a strong historical trend. The principal task of the Third World countries, which have three-quarters of the world population and which have long been victims of foreign aggression, control, and plunder, is to shake off their poverty and backwardness and consolidate their political independence by developing their national economy. Therefore, they are in urgent need of a peaceful international environment. They are the main force to deter war and safeguard peace, and they are an important factor in expediting world economic development. Europe, which has gone through the scourge of two world wars, is where the world's most developed countries are concentrated and where the world's two largest military blocs confront each other; because it is under the direct threat of the arms race between the United States and the Soviet Union, Europe is deeply concerned about the preservation of peace.

Both Eastern and Western Europe strongly demand disarmament and relaxation of East-West relations and world tension. Both Eastern and Western Europe are important forces to deter war and safeguard peace. Japan, Canada, Australia, New Zealand, and other developed countries also want a relaxation of East-West relations, and they all want peace and oppose war. Our country is now engaged in socialist modernization and is in need of a peaceful international environment. We firmly oppose the arms race and support practical and effective disarmament. Last year, our government decided to reduce the Armed Forces by 1 million. The international community generally believes that China is an important force in safeguarding peace. In short, the international situation is still beset with tension and turbulence, and people should remain vigilant because there still exists the danger of another world war. However, the development of forces for peace has outstripped the growth of those for war. Through the joint efforts of the forces for world peace, world peace can be preserved.

On China's foreign policy, Wu Xueqian said: In recent years, our country has made timely adjustments in its foreign policy. The current foreign policy of our country is the most correct and forceful since the founding of the People's Republic. Internationally, our country persistently pursues an independent and peaceful foreign policy. That is, we do not attach ourselves to any big power or bloc of countries, nor do we ally or establish strategic relations with them. We stand firmly on the side of the Third World. We oppose hegemonism; safeguard world peace; give active support to any positive proposals conducive to world peace and development; and resolutely oppose all acts of power politics, aggression, and expansion. We do our best to establish and develop friendly relations with all countries of the world on the basis of the Five Principles of Peaceful Coexistence. We persist in opening to the outside world and in developing economic and technolgoical exchange and cooperation with all countries of the world on the basis of equality and mutual benefit. The independent and peaceful foreign policy is a long-term policy, and not an expedient measure, that China will unswervingly carry out.

He continued: The year 1985 saw vigorous development of China's diplomatic work. Leaders of our country made good-will visits to more than 40 countries in various parts of the world. On the other hand, our country received leaders from more than 40 countries. Our country signed economic, science and technology, and cultural exchange and cooperation agreements with many countries. Our friendly and cooperative relations with numerous countries were further improved. Last year, more countries -- namely, Bolivia, Grenada, and Nicaragua -- established diplomatic relations with our country. So far, 134 countries have diplomatic ties with us. Last year, the economic and trade contacts and technological exchanges between China and other countries in the world grew further in scale and produced remarkable results. Cultural exchange and contacts in other fields also increased between China and other countries of the world.

Wu Xueqian said: Unity and cooperation between China and the vast number of other Third World countries have been further reinforced. Last year, General Secretary Hu Yaobang visited the South Pacific island countries of Western Samoa, Fuji, and Papua New Guinea. President Li Xiannian visited Burma and Thailand. Premier Zhao Ziyang visited four Latin American countries. Other party and government leaders visited many Asian and African countries, including Korea. All these showed China's policy of attaching importance to developing its relations with Third World countries. There were more than 20 visits to our country by heads of state, government leaders, and other major leaders of Third World countries. All these visits were very successful, attaining the goals of increasing understanding, enhancing friendship, and expanding cooperation. Incessantly strengthening unity and cooperation with Third World countries is China's firm and unwavering policy.

Japan is a near neighbor of our country. Chairman Peng Zhen led an NPC delegation to visit Japan in the first half of last year, furthering the development of Sino-Japanese good-neighborly and friendly relations. Comrade Hu Yaobang published a four-point opinion on 18 October last year to show China's stand on developing friendly relations between China and Japan, and Prime Minister Nakasone expressed agreement to the opinion. We believe that in the days to come, both sides should do more in-depth and down-to-earth work in accordance with the guidelines of this opinion so as to ensure the continued healthy and smooth development of Sino-Japanese friendly relations. When problems appear, they should be solved in a timely and appropriate manner through friendly consultations. With respect to economic cooperation, both sides should make truly effective efforts on the basis of the results thus far achieved so that Sino-Japanese trade will see steady and balanced development in the direction of active expansion. The two sides should also work together to create conditions for a new situation to emerge in their cooperation in investment and technology transfers. Last Year, Premier Zhao visited the United Kingdom, the Federal Republic of Germany, and the Netherlands, while leaders of some Western European countries visited our country. It is an important aspect of our country's foreign policy to develop long-term and stable relations of friendship and cooperation with Western European countries on the basis of common efforts to preserve peace and strengthen economic cooperation. Last year, General Secretary Hu Yaobang visited Australia and New Zealand, and President Li Xiannian visited Canada, thus promoting China's friendly and cooperative relations with these three countries.

China also made encouraging progress in its relations with Eastern European socialist countries last year. Comrade Ceausescu, secretary general of the Romanian Communist Party and president of the Socialist Republic of Romania, visited China again, and Comrade Hu Qili visited Yugoslavia. These visits were a complete success and have further strengthened the close unity and deep friendship between China and these two countries. Our relations with the German Democratic Republic, Poland, Hungary, Czechoslovakia, and Bulgaria have also improved and developed. Continuing to develop relations between China and Eastern European countries meets the basic interests of the Chinese people and the people of Eastern European countries. In general, Sino-U.S. relations recently have been relatively stable. President Li Xiannian visited the United States in July last year, and Vice President Bush visited China in October. These visits were conducive to mutual understanding and the development of relations between the two countries. The two countries also made progress in economic, trade, science and technology, cultural, educational, and other exchange and cooperation. The two sides signed four agreements, including the Sino-U.S. nuclear energy cooperation agreement. Bilateral trade increased over the previous year. The Taiwan issue is still a major obstable in Sino-U.S. relations, and has always been a serious hidden danger in our relations with the United States. The key to eliminating this obstacle is for the United States to adhere strictly to the principles stated in the three Sino-U.S. joint communiques. We hope that the United States will support our efforts to realize peaceful reunification with practical moves and not hamper them. Some problems also exist in trade, economic, and technological cooperation between the two countries. Recently, the United States relaxed in some ways the transfer of technologies to China. This is a welcome move. We hope that the United States will fundamentally change its discriminatory policies toward China. Sino-Soviet relations have also improved to some extent, with relatively remarkable progress achieved in the economic and trade relations between the two countries. The two sides signed a 1986-90 goods exchange and payment agreement, which laid the foundation for the continued and steady development of economic and trade relations between the two countries. Last year, China's NPC Standing Committee and the USSR Supreme Soviet sent delegations to visit each other, thus resuming ties that had been disrupted for many years. Exchange also increased in some other fields between the two countries. These developments contribute to the mutual understanding and friendship between the people of the two countries.

However, because the obstacles existing in the relations between the two countries have not been removed, Sino-Soviet political relations have not been fundamentally improved. For the fundamental interests of the Chinese and Soviet people, as well as for peace in Asia and the world, we sincerely wish to establish good-neighborly relations with the Soviet Union on the basis of the Five Principles of Peaceful Coexistence; we have made positive efforts for that purpose. We have noticed that the new Soviet leaders have expressed willingness to improve relations with China. If the Soviet side is really sincere about this, it should take concrete action to remove the three major obstacles instead of dodging them. First of all, it should take concrete steps to stop supporting Vietnam in its invasion of Cambodia and urge withdrawal of Vietnamese troops from Cambodia.

In conclusion, Wu Xueqian stressed: We need a long-term, peaceful international environment and extensive international exchanges and cooperation in order to smoothly carry out our socialist modernization programs, enable the people to live comfortably by the end of the century, and gradually bring our living standards closer to that of developed countries. Our diplomatic work should not only be aimed at creating a peaceful environment needed for our socialist modernization drive; it should also adhere to the policy of opening to the outside world and be designed to serve the nation's modernization drive and to expand economic and trade relations as well as scientific, technological, and cultural exchange with all countries of the world on the basis of equality and mutual benefit. After a few year's efforts, we have created a new situation in diplomatic work. Proper handling of domestic affairs is fundamentally important to diplomatic work. If our domestic work is done well, our economy will prosper, our national strength will be strengthened, our international position will be further enhanced, and we will carry more weight in dealing with international affairs. The development and expansion of China's power will mean a boost in momentum for world peace. This meets the fundamental interests of the Chinese people and the people of the world.

LEADERS ATTEND FOUNDING OF DEFENSE UNIVERSITY

OW161301 Beijing XINHUA Domestic Service in Chinese 1507 GMT 15 Jan 86

[By RENMIN RIBAO reporters Luo Tongsong and Wang Jin and XINHUA reporter Gai Yumin]

[Text] Beijing, 15 Jan (XINHUA) -- Two formally dressed fighters, holding up a bright "1 August" military banner and walking in parade step, advanced to the rostrum to the majestic strains of a military band. Yang Shangkun, vice chairman of the Central Military Commission, received the military banner and solemnly turned it over to Zhang Zhen, president of the National Defense University. This was the historical scene at the founding ceremony for the National Defense University today.

Yang Shangkun, member of the Political Bureau of the CPC Central Committee and vice chairman of the Central Military Commission, and Yang Dezhi, member of the Political Bureau of the CPC Central Committee and chief of the PLA General Staff, attended the founding ceremony for the National Defense University.

Li Peng, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, on behalf of the party Central Committee and the State Council, extended warm congratulations on the founding of the National Defense University.

The National Defense University was established by combining the PLA Military Academy, the PLA Political Academy, and the PLA Logistics Academy. The establishment of the National Defense University signifies an important step in the structural reform of the training of PLA cadres. It will become a first-rate, high-level military institute with the special characteristics of our country and our Army.

Deng Xiaoping, chairman of the Central Military Commission, wrote the name for the university. Hu Yaobang, Zhao Ziyang, Li Xiannian, Chen Yun, Peng Zhen, Deng Yingchao, Xu Xiangqian, Nie Rongzhen, Li Peng, Yang Shangkun, Yang Dezhi, Yu Qiuli, Zhang Aiping, Hong Xuezhi, and others wrote inscriptions or letters to greet the founding of the National Defense University.

Yang Shangkun read two orders signed by Chairman Deng Xiaoping of the Central Military Commission on establishing the National Defense University of the Chinese People's Liberation Army and assigning the leading group for the National Defense University. Yang Shangkun spoke at the meeting. He said: With the reduction of 1 million members of the PLA, the whole Army is faced with two major tasks. First, to gradually improve our Army's weapons and equipment as our national power increases, and to reduce the gap between weapons and equipment of our Army and those of the armies of the developed countries as quickly as possible. Second, to take advantage of the present favorable opportunity to strengthen education and training for our cadres and cultivate a large number of outstanding people who can meet the need of our Army's modernization. In a certain sense, the training of capable people is a task of prime importance. Therefore, the Central Military Commission decided to establish the National Defense University in order to further improve the system of basic, secondary, and advanced training of the various academies and schools for commanders and create a new situation in the training of our Army. This is a great event of strategic significance.

Yang Shangkun said: The National Defense University is our Army's highest institute. People trained by this university will be capable of handling military, political, and logistic affairs. In order to realize this goal, we must have the ambition to turn the university into a military institute with a level matching the advanced standards in the world, foster a fine style, and make it a model for the revolutionization, modernization, and regularization of the whole Army.

Li Peng said: The establishment of the National Defense University is not only a big event in military building but also an important one on the educational front. In order to run the National Defense University well, we must attach importance to studying Marxist theory and straighten our political orientation. The National Defense University will cultivate senior military personnel; their political quality will have an important bearing on our Army and our country. In view of the special characteristics of the students of the university, the education on Marxist theory must lay stress on raising the students' ability to solve new problems by applying Marxism in our drive for socialist modernization and military building, and on strengthening their belief in principle and improving their work by developing their systematic approach to problems and their foresight and creativity. The National Defense University must create achievements in scientific research as well as train capable people. The university's scientific research work should not only serve the purpose of teaching but also provide a theoretical basis for the party and state in formulating national defense policy and play a consultative role for military leading organs in making decisions.

In his speech, Yang Dezhi encouraged the university to foster a good style. He said: Universities and schools are to educate people, and so, teachers and staff members should set good examples for the students. They should not only teach knowledge but also set good examples in thinking and work style for the students; in this way they can cultivate people with both virtue and ability.

National Defense Minister Zhang Aiping and others also spoke at the meeting.

Zhang Zhen, president of the university, emphatically explained the principles in running the university and spoke on matters of studying style. He said: It is imperative to adhere to reform and create new things in teaching and scientific research work. We must adhere to the policy of opening to other units at home and abroad in running the university, actively expand academic exchange, fully absorb and import science and technology from other units at home and abroad, study hard, and inherit and carry forward Mao Zedong's military thought. We must turn the National Defense University into a truly advanced military institute and a center of both teaching and scientific research so as to cultivate qualified people and create scientific achievements.

Today's meeting was presided over by Li Desheng, political commissar of the National Defense University.

Qin Jiwei, Wang Ping, Xiao Ke, Song Shilun, Liao Hansheng, and Hong Xuezhi as well as responsible persons of various general departments and major units of the PLA stationed in Beijing and other departments concerned attended the meeting.

PLA TO RESETTLE 830,000 EX-SERVICEMEN IN 1986

HK170150 Beijing ZHONGGUO XINWEN SHE in Chinese 1344 GMT 15 Jan 86

[Text] Beijing, 15 Jan (ZHONGGUO XINWEN SHE) -- An official of the Civil Service Ministry said here today: In 1986 China will make proper arrangements for the resettlement of 800,000 demobilized soldiers, in addition to 30,000 ex-servicemen who were enlisted on a voluntary basis. At present, the majority of these demobilized soldiers have returned from whence they came, and the departments concerned are busy with the work of making proper arrangements for them.

At a press briefing, the official also said: This year the work of making arrangements for demobilized soldiers is being carried out under a new situation in which the PLA is undergoing structural reform and reduction-in-strength reorganization. The work is therefore marked by the fact that the number of demobilized soldiers, and ex-servicemen who were enlisted on a voluntary basis is larger than before, and many of them have received awards for meritorious service in battles. Meanwhile, there are a large number of personnel who are qualified for both military and civilian jobs.

It has been learned that the localities last year made proper arrangements for the relocation of more than 760,000 demobilized soldiers and 30,000 ex-servicemen who were enlisted on a voluntary basis.

RENMIN RIBAO COMMENTATOR URGES OBSERVING LAWS

HK161404 Beiking RENMIN RIBAO OVERSEAS EDITION in Chinese 16 Jan 86 p 2

[Commentator's article: "Observance of All Regulations and Investigation Into All Cases of Violation of Regulations"]

[Text] Last year, a large number of cases of theft and economic swindling took place in our country. In some areas, the number of such criminal cases even greatly increased.

According to the statistics of the relevant department, from January to November of 1985, theft cases involving more than 1,000 yuan increased by more than 100 percent over the whole country, as compared with the number in the corresponding period of the previous year. The number of serious fraud cases increased by more than 70 percent as compared with the corresponding period of the previous year. As far as the crime rate is concerned, ordinary theft cases accounted for 80 percent of the total number of criminal cases. The cases of theft and fraud also made up a big proportion of the major criminal cases. The increase in cases of theft and fraud has not only meant heavy losses of the property of the state, the collectives, and the people, but also seriously affected people's normal production and people's lives. And some of these cases have even given other countries a very bad impression. So, as well as strictly punishing the criminals committing theft and fraud according to law, we must carefully analyze the reasons for the increase in such crimes so as to close the loopholes in our work and adopt effective measures to prevent such crimes.

There are many reasons for the increase in the cases of theft and fraud. Apart from some areas having failed to strictly punish criminals committing theft and fraud, the relevant departments have also failed to implement the relevant rules and regulations, have failed to abide by them, and have failed to punish those who have violated the rules and regulations. For example, the Duan Xiaohua theft case, exposed not long ago by Xian Public Security Bureau, and the Gao Jinghong theft case, exposed in Beijing City; Gao Jinghong is a criminal who often committed crimes in government institutions and Army units stationed in Beijing, and the big fraud cases exposed in Guangdong and Fujian Provinces and some other areas. All these cases tell us that the criminals who commit crimes of theft and fraud are trying their best to use loopholes in some government institutions and units that have failed to abide by the rules and regulations. The guesthouse where Duan Xiaohua committed his crimes all have strict rules and regulations, such as entrance security rules, the regulations for receiving visitors, the duties rules, the rules on who is allowed to stay, and so on. However, these rules and regulations are only empty terms on paper posted on the wall. Criminals could still enter these units without being checked. In some units and departments, some of the staff are irresponsible and some leaders neglect their duties, and the bureaucratism of the cadres is remarkably serious. When summing up the experiences and lessons learned, the staff of some restaurants, guesthouses and hostels said with deep feeling: It is difficult to formulate good rules and regulations, but it is more difficult to implement these rules and regulations. We can no longer just write our rules and regulations on paper and post them on the wall.

Reasonable rules and regulations are the scientific summary of the practical experiences of the broad masses of people, and some of the rules and regulations have been formulated after bloody lessons have been learned. We must strengthen the education among the broad masses of cadres and workers and enable them to understand that the strict implementation of various rules and regulations is necessary for safeguarding normal social order, production order, the order of scientific research, and the order of people's lives, is necessary for safeguarding the smooth progress of the building of socialist modernization, and is necessary for implementing method of the scientific management. It is also a manifestation of being responsible to the country and the people. Once the rules and regulations are formulated, they must be strictly carried out. In carrying out the rules and regulations, we must be impartial and incorruptible, must strictly enforce the law and the principle that everyone is equal before the rules and regulations, and must carry out the rules and regulations to the letter. Without such a strict spirit, we will be unable to strengthen our administration and close the loopholes in our work.

The cadres of various units and departments, especially the leading cadres, must take the lead in carrying out the rules and regulations. This is the key in strictly carrying them out. If the leading cadres take the lead in abiding by the rules and regulations, the masses will certainly abide by them and the phenomena of violating the rules and regulations will be thoroughly wiped out. We should commend and publicize those who strictly carry out the rules and regulations, strictly criticize and educate those who neglect their duties or seriously violate the rules and regulations, and punish according to the law those who commit crimes through abuse of power. Being strict and fair in meeting out rewards and punishments, not being swayed by personal considerations, following the rules and regulations, and punishing those who violate them are the necessary conditions for doing our work well in various fields. We must advocate this spirit in carrying out the rules and regulations.

Like everything else, rules and regulations are not unalterable. Along with the continuation of the reform of the economic structure and the development of economic construction, rules and regulations need to be continuously reformed and perfected so as to meet the needs of modernized management. We hope that while strengthening the building of socialist material civilization and socialist spiritual civilization, the various units and departments will carefully examine the situation in implementation of the rules and regulations, will reform those rules and regulations that should be reformed and perfect those that should be perfected, and will gradually formulate a set of rules and regulations centering on the system of personal responsibility in order to safeguard normal production order, work order, and the order of people's lives, and in order to safeguard the smooth progress of economic construction and the reform of the economic structure.

SUSPECTS ARRESTED IN HARBIN SWINDLING CASE

SK130719 Harbin Heilongjian Provincial Service in Mandarin 2200 GMT 9 Jan 86

[Text] The Harbin (Huaxia) general integrated industrial company, which was once of great renown, fell into the net of justice spread by the people at long last for engaging in fraud and speculation to the neglect of the law and discipline. Through a thorough investigation of this criminal case over the past 6 months or so, the Harbin People's Procuratorate prosecuted this case before the Harbin City Intermediate Court recently.

(Bao Lianyou), chairman of the board of the company, and (Wang Xingguo), vice chairman of the board of the company and concurrently general manager of the company, were arrested according to the law. (Dai Yuhua), deputy general manager of the company, and (Song Tieyu), secretary general of the company, were released on bail for suspended trials.

In July 1984, various persons, including (Bao Lianyou), under the guise of helping the state tide over difficulties and bringing benefits to the people on the occasion of the economic restructuring, were issued a business license by the Harbin City Industrial and Commercial Bureau as a result of having cheated the bureau by saying that they had 9.7 million yuan in funds and possessed six integrated associations. On 8 August 1984, they established the (Huaxia) general integrated industrial company. After that, they engaged in many deals involving swindling and criminal activities. They signed, in succession, 32 fake contracts, involving 134,856,500 yuan in funds, with 31 units within and outside the province. Of this, they gained, through swindling, 3.276 million yuan in funds from 5 units. Of these funds, 1.186 million yuan were used.

These criminals used extremely despicable means to engage in these swindling activities. In October 1984, they devised as an excuse the purchasing of a second-hand foreign ship to sign an agreement on purchasing this ship with the (Jiubao) District administrative bureau for township- and town-run enterprises in Anshan City and defrauded the bureau of 1 million yuan in deposit funds. They used 300,000 yuan of these funds to pay back the deposit funds for a contracted project to the Harbin oil refinery, and used the rest to purchase cars, color television sets, and electric desk calendars, and to resell cars. In April 1985, when the district bureau discovered the facts, they adopted the same means to swindle the Harbin bearing factory out of 1 million yuan of deposit funds for the sales of steel products, and used these funds to return the debt to the district bureau.

Besides engaging in swindling activities, these criminals were also devoted to speculation and profiteering. They gained illegal profits by reselling 500 Japanese-made color television sets. In the name of acting for the French (Daxinyazhou) International Company Ltd., the American (Xikei) financial group, the north China general company for information on economic and technological development, and a preparatory office for the (Jiangang) thermal power plant, they engaged in even more serious swindling activities. No such units really existed.

After making thorough investigations of this case, the Harbin City Procuratorate obtained sufficient evidence and came to know well that the company was cheating.

ECONOMIC LAW VIOLATIONS UNEARTHED IN SHENZHEN

HK150257 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 14 Jan 86

[Text] Shenzhen City recently cracked a major violation of economic laws. Liu Jun, former general manager of the Shenzhen Petrochemical Supply and Trading Company, and others resold large quantities of imported goods, bought up foreign exchange, engaged in graft and embezzlement, and spent public funds. As a result the operational losses of this company reached 20 million yuan. The leadership group of this company has now been completely reorganized. Liu Jun, Dong Dabao, (Liu Zhongbao) and other criminal elements have been arrested according to law. People connected with the case are now being investigated and dealt with.

The provincial Discipline Inspection Commission has written a note on this case. It says that the violation of law in the Shenzhen Petrochemical Supply and Trading Company is another shocking major economic case unearthed during the province's efforts to reform and open up to the world. Although such cases are only individual affairs during the reform and opening up, the gravity and harmfulness of the damage they do to reform and opening up must certainly not be underestimated.

The note points out: How could such a case occur in this company? How could those criminal elements run so rampant for a time? The main reason is that the department in charge of the company violated the party's cadre policy and randomly employed so-called able hands, with the result that the leadership of the company fell into the hands of a few lawbreakers. This caused very great chaos in the company's management, and there was serious deviation from the socialist orientation.

The provincial Discipline Inspection Commission hopes that the party organizations of all areas and departments will seriously learn a lesson from this typical case.

SHANGHAI PUBLIC SECURITY ARRESTS SWINDLER, GANG

OW150309 Beijing XINHUA Domestic Service in Chinese 1209 GMT 14 Jan 86

[Excerpts] Beijing, 14 Jan (XINHUA) -- Last June, the Shanghai Municipal Public Security Bureau cracked the case of Huang Kuiyuan, a speculator and swindler, who entered China's interior on a phony passport of a certain country and, within 6 months or so, had swindled people in 9 provinces and municipalities, and signed more than 40 "agreements" and "letters of intent" of one kind or another, involving U.S. $7.55 billion and 1.63 billion yuan. The money Huang Kuiyuan and his confederates had already obtained through fraud amounted to more than 1 million yuan, of which some 200,000 yuan was in cash.

Huang Kuiyuan, also known as Huang Kuiren, is a native of Taibei, Taiwan. Stricken by poverty and difficulties in Hong Kong, he sneaked into the interior on 25 October 1984 by entering from Gongbei with a phony passport of a certain country, hoping to "do something to make a living." At that time, he had only HK $900. After entering the interior, Huang lied that he had U.S. $1.6 billion which could be used as capital, and that he himself was one of the five big shareholders of a company in a certain country, and concurrently chief representative of that company in the Far East. He then collaborated with lawless people to swindle others.

Last February, Huang Kuiyuan became acquainted with Li Chaoyun of the China National Food Science and Technology Development Corporation, and lied that he would like to "contribute gratuitously" U.S. $10 million to help build a "food institute." Not knowing Huang Kuiyuan's background, this corporation treated him as a distinguished guest, paying his food and living expenses in Beijing and holding banquets for him. The money so spent amounted to some 27,000 yuan. In the name of "borrowing money," Huang Kuiyuan swindled some 12,000 yuan in cash from this corporation.

Around the time of the Spring Festival last year, Chen Jianping, a confederate of Huang Kuiyuan and a discharged worker of the Shanghai No 5 Iron and Steel Plant, and others "negotiated," in the name of that company of a certain country, with Ai Hongjie, director of Huajie Knitwear and Garment Factory in Qingpu County, Shanghai Municipality, for cooperation in reselling 23 cars. Actually owning nothing at all, Chen Jianping, again in the name of that company, arranged to "resell" these cars to Shouning Overseas Chinese Industrial Corporation in Fujian Proxince at a price of 40,000 yuan per car. Through negotiation, they decided that this corporation would pay a 10,000-yuan commission on each car. Accordingly, Shouning Overseas Chinese Industrial Corporation remitted 920,000 yuan to Huajie Knitwear and Garment Factory in Qingpu as payment for the sedans, and paid Chen Jianping and his confederates 230,000 yuan in cash in two installments as "commission."

Last March, Huang Kuiyuan used the pretext that the chairman of the board of directors of that certain foreign company was in urgent need of money abroad, and made a deal with the Beijing office of a unit in Hong Kong. The deal was for a certain Hong Kong company to remit HK $70,000 and U.S. $10,000 to someone on condition that a payment of several hundred thousand yuan be made domestically as a guarantee. Then, Huang let his confederate Chen Jianping use the name of that certain foreign company to "negotiate" with Gangxi Supply Station, in Jianhu County, Jiangsu, for a so-called transaction of 20 million metric tons of aluminum ingots. The latter was thus tricked into remitting 100,000 yuan to the Beijing office of the above-mentioned unit in Hong Kong, while actually Chen Jianping had no aluminum ingots at all.

The Shanghai Municipal Public Security Bureau arrested Huang Kuiyuan, Chen Jianping, Ai Hongjie, and the others according to law.

RENMIN RIBAO URGES CENTRAL CADRES TO SET EXAMPLE

HK160105 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 15 Jan 86 p 2

[Commentator's article: "The Whole National Turns Its Eyes to Beijing"]

[Text] At the beginning of the new year, the CPC Central Committee Secretariat held a cadre meeting of the central organs in Beijing, calling on all party members and cadres of the central party, government, and military organizations to set an example of lofty mental outlook and good work style for the whole nation. This was a mobilization order issued by the party Central Committee to bring about a fundamental improvement in party conduct. It is of great significance.

Beijing is always an example to be followed by the whole nation; so it is in improving party conduct. It is where the party Central Committee is located. The whole nation turns its eyes to Beijing as it does to the party Central Committee. Now, the party Central Committee once again has assigned the political task of setting an example to all party members and comrades of the central party, government, military, and mass organizations. This is very timely and necessary. There must be a leader in a host of dragons as sheep must have a shepherd. We must grasp the key link of our work as we must lead an ox by the nose. The central organs must play a pivotal role in our whole cause. The general mood of our country is determined by our party conduct, our party conduct is determined by the atmosphere of the leading organs, and the atmosphere of the leading organs is determined by the common practice of the central party, government, and military organs. A good atmosphere and the new look of the central party, government, and military organs will affect and bring along the whole party and nation. This provides us a guarantee for fundamentally improving general social conduct.

The question of further improving party conduct was specially raised at the National Conference of Party Delegates, held last September. In this connection, the party Central Committee has taken a series of measures. Of late, the General Offices of the party Central Committee and of the State Council issued a circular, calling for a solution to six serious problems. Recently the party Central Committee Secretariat also decided to concentrate its efforts on improving party conduct in the central party, government, and military organs and in Beijing municipal institutions as well. And at the meeting of the central organ cadres, the party Central Committee Secretariat explicitly urged them to set an example for the whole nation. Apart from the formulation of correct policies and principles, with firm determination the party Central Committee has also adopted the effective methods of stressing the central organs and starting with solving six serious problems. This raises hopes that there will be a fundamental improvement in party and social conduct, it also opens a bright future that we will be able to clean up all the filth and do away with all the old customs while building a socialist civilization that is advanced culturally and ideologically as well as materially.

In his important speech at the meeting of the central organ cadres, Comrade Hu Yaobang pointed out that, in checking unhealthy tendencies, it is necessary to have firm determination and perseverance. He called on the whole party to develop the spriit of the foolish old man who removed the mountains, saying that we will not stop until we reach our goal. All comrades, and particularly leading cadres working at the center should realize that the posts at which we stand are very glorious and the tasks ahead of us are very arduous.

All our deeds, no matter if they are good or bad, have a great influence upon others. We must, therefore, answer the party's call by action. We must first be strict with ourselves. We must make less idle talk and act more and carry out the drive in line with the actual conditions in our own units. We must really go into action in a down-to-earth manner in accordance with the requirements and arrangements set by the party Central Committee.

In the first 5 years of the 1980's, our country has achieved great success in creating a new situation and building socialism with Chinese characteristics. Comrades of the central party, government, and military organs have made their due contributions to it. Now, at the beginning of the second 5 years of the 1980's, the tasks ahead of us, including the task of fundamentally improving party conduct, are much more arduous and glorious. This requires us to set an example in earnest in all fields of work. Beijing, the whole nation, full of hope and confidence, is watching you.

XUE MUQIAO ON COMMODITY PRICES, LIVING STANDARDS

HK160421 Beijing JINGJI RIBAO in Chinese 6 Jan 86 pp 1, 2

[Article by Xue Muqiao: "On Changes in Commodity Prices and People's Living Standards" -- capitalized passages published in boldface]

[Text] OVER THE LAST FEW YEARS, COMMODITY PRICES HAVE GONE UP MARKEDLY. MANY URBAN RESIDENTS HAVE COMPLAINED ABOUT THIS SITUATION. WILL PRICE HIKES AFFECT THE IMPROVEMENT IN PEOPLE'S LIVING STANDARDS?

Answer: Over the last few years, commodity prices in our country have indeed gone up markedly but there has been a marked improvement in the people's standard of living. Such being the case, why are some people still complaining about this situation? The reason lies in the fact that for quite some time, we have been saying that stabilizing prices is a basic principle of our party and a necessary guarantee for offering a stable life to the people. This notion has struck root in the hearts of the people so that any rise in the prices of some commodities could cause anxiety to the people who believe that any price boost will necessarily lower the people's living standards. Actually, this is not the fact.

In the final analysis, the improvement of the people's living standard is determined by the growth rate of production rather than by how well prices are stabilized. From 1952 to 1978, China continuously stressed price stability. Although the prices of agricultural products had been raised many times, the range of each price rise was limited and smaller than that of each increase in production costs (since agricultural production is handicapped by natural conditions, the more products that are turned out, the higher their costs could be but the case with processing industries is quite the reverse). Consequently, the peasants' enthusiasm for developing production was dampened and rapid production growth was arrested. This in turn not only caused a strain on grain supplies but also brought about an increasing strain on nonstaple food supplies. To cope with this situation, the methods of state monopoly, unified, and fixed purchases were introduced in regard to grain, pork, eggs, and nonstaple foods. As a result, the enthusiasm of the peasants for production was dampened. After fulfilling state purchasing quotas, both monopoly and fixed, the peasants had little farm produce to share and had to eat melons and vegetables as staple food and in the cities where a ration system was initiated, urban residents had very little to eat. The facts over the last 26 years have fully proved that maintaining price stability by using such methods as state monopoly, unified, and fixed purchases and a ration system is detrimental not only to the expansion of agricultural production but also to the improvement of the living standards of city dwellers.

Since the 3d Plenary Session of the 11th CPC Central Committee, in order to smooth out the major economic relations, to speed up the development of the national economy, particularly agricultural production, and to introduce gradual price readjustments, our party has increased the prices of agricultural products by a relatively big margin, thus boosting quite rapid increases in agricultural production.

After successive large readjustments were made in the prices of grain, cotton, and nonstaple foods in 1979 and 1980, production went up rapidly and the supply of pork and fresh eggs exceeded demand. Pork and fresh eggs are now available on the market without restrictions. With increased incomes and production, the peasants' standard of living has imporved. With an ample supply of nonstaple foods, there has been a marked improvement in the living standard of city dwellers. Having greater amounts of such nonstaple foods as meat, fish, poultry, and eggs to eat, the people have begun demanding to eat better. Of course, since appropriate price subsidies are calculated with a view to maintaining the existing living standards, with people having more nonstaple foods and better meals to eat, their increased spending in this regard has exceeded the government-granted price subsidies. Hence, there is still some discontent among many people about price increases in nonstaple foods. It must be noticed that over the last few years, wages (including bonuses) have increased rapidly, far exceeding the growth rates of commodity prices. This is attributed to the fact that over the last few years, there has been a marked improvement in the people's living standards, the people eat better, and wear better clothing than in the past, and the number of high-grade consumer goods, such as color television sets, in their hands has rapidly increased.

Apparently, in the wake of price readjustments, the people's living standards have gone up. The following statistics are highly illustrative.

Over the last 6 years, from 1978 to 1984, the total retail price index has increased by 17.7 percent. The increase in food prices was most significant, up 26.4 percent (meaning only state-listed prices) and the purchasing prices of agricultural and side-line products rose by 53.6 percent, with the increased prices of this category of products surpassing their marketing prices. This was the result of the practice of increasing only the buying prices of grain and edible oils and not their selling prices and of the state purchasing them at prices higher than their selling prices and subsidizing the losses incurred in selling them.

In the last 6 years, the average consumption level of urban and rural population increased by 86.9 percent, or a gain of 57.7 percent after the effect of inflation was deducted. The average per-capita income of the peasants rose by 165 percent, or an increase of 144 percent after taking price increases into account, and that of the staff members and workers was up by 58.6 percent or a rise of 32.3 percent if the factor of price rises was taken into account. As far as the increased volume of products in kind consumed by urban and rural residents is concerned, in food, grain rose from 391 jin to 503 jin, up 28.6 percent; edible oils from 3.2 jin to 9.4 jin, up nearly 200 percent; and pork from 15.3 jin to 26 jin, up 70 percent (the volume of grain and edible oils, especially grain, consumed by the peasants was greater than that consumed by the staff members and workers). In clothing, cloth of various types rose from 24.1 chi to 32.5 chi, up 35 percent. In daily necessities, daily consumer goods rose from 28.8 yuan to 67 yuan, up 132.6 percent. More specifically, the number of bicycles owned by every 100 people increased 7.7 to 18.8, up 144 percent; that of television sets from 0.3 to 4.6, up some 150 percent; and that of radios from 7.8 to 21.6, up 177 percent. In the cities, almost every staff member or worker had a bicycle and the number of staff or worker families that had a television set constituted more than 90 percent of the total of such families. More and more people were buying color television sets in preference to black-and-white ones. Almost every household had one or two radios and many households had a radio-cassette recorder, refrigerator, and washington machine. Does this not prove that there has actually been an improvement in the people's living standards?

CAN PRICE RISES IN NONSTAPLE FOODS BE AVOIDED?

Answer: It is impossible. If their prices are not raised, there will not be such ample nonstaple food supplies as we have today.

SOME COMRADES ARE THINKING ABOUT THE PRICE LEVELS IN THE 1960'S AND OTHERS SAY THEY WOULD PREFER NO PRICE HIKES TO PAY RAISES. ARE THESE VIEWS CORRECT?

Answer: I have also received many letters of that kind, demanding that the price and wage levels of the 1960's be restored. Restoring the living standards of the 1960's will mean, as we see it, returning to the situation in which every person had two to eight liang of pork every month (there was one jin of pork for every person only in big cities like Beijing and Shanghai), live fish was virtually off the market, only a meager amount of salted hairtail fish could be found on the market, and there were only a few varieties of dependable quality in vegetable supplies. Are the majority of the people willing to see such a situation again? One letter says: In the early 1960's, when you were director of the pricing committee, you could keep planned prices stable and unchanged and push down the prices in rural markets, so why are you now advocating discarding planned prices and replacing state-listed prices with market prices? The first 3 years of the 1960's following the "Great Leap Forward" were difficult years for the state when the price of pork in rural markets soared to 5 yuan a jin; that of grain to 1 yuan per jin; and an egg cost 0.5 yuan. After their prices settled down in 1965, they were still higher than state-listed prices but about the same as the current market prices. To keep prices stable, as that time the state had to limit every person to buying no more than 0.2 jin of pork a month and every urban resident could buy only 6 chi of cloth and every rural resident 3 chi a year. In those years, we also intended to raise the price of pork so that urban residents could have more pork to eat but when the peasants still had difficulties even with their own grain ration, where could they find fodder to raise pigs? Things have now changed. The peasants have surplus grain in their hands and the state is in a position to allocate tens of billions of jin of grain to encourage the peasants to raise pigs and chickens. To cope with price increases in nonstaple foods, the state has granted price subsidies to its residents at a rate commensurate with the previous consumption levels and on the whole they can offset the price rises in nonstaple foods. With improved living standards and a better supply of higher quality nonstaple foods, people will spend more money on them. However, the increase in their wages and bonuses is still greater than the extra money they spend on nonstaple foods. Therefore, with their spending increased, they still have surplus money to deposit in banks, In 1978, the savings deposits of urban and rural population totaled 30.9 billion yuan and, in 1981, it increased to 114.9 billion yuan, a gain of about 200 to 300 percent. It increased by 18.5 billion yuan in the past year alone. This indicates that the incomes of the people have indeed increased considerably.

In the past, many comrades considered the use of a ration system in stabilizing commodity prices the superiority of socialism and for this reason, they cherish the 1960's when the practice was applied. This is a misunderstanding. It was a method that had to be adopted in the situation that agricultural production expanded too slowly and it failed to meet the needs of the urban population. With the adoption of such a principle, the supply of nonstaple foods failed to increase rapidly and the people's living standard failed to be improved. If the interests of the consumers are to be taken care of exclusively to the neglect of those of the producers, production cannot develop, the needs of the consumers cannot be satisfied, and living standards will remain at existing levels for quite some time. This was always the situation from the early 1950's to the late 1970's. It was not until 1979, when policy changes were made, that the supply of commodities, particularly food, could be significantly boosted and the people's living standards improved remarkable. By comparison, which is actually better, the former case or the latter one? It is true that the prices of commodities (mainly nonstaple foods) have gone up but it is also true that the people's living standard has improved. This is the correct appraisal that really reflects the actual conditions. Many comrades who only seek an improved life and are resolutely opposed to any price readjustments and particularly opposed to any price rises in nonstaple foods fail to see that if the prices of nonstaple foods are not raised, there will be no production increases and improvement in the people's living standards (in terms of food). I hope this issue will be given wide publicity.

AS FAR AS THE IMPROVEMENT OF LIVING STANDARDS IS CONCERNED, SOME PEOPLE HAVE IMPROVED THEIR LIVING STANDARDS FASTER THAN OTHERS. HOW SHOULD WE APPROACH THIS PHENOMENON?

Answer: Generally speaking, the people's living standards are constantly improving. This has particularly been the case with living standards over the last few years. However, the improvement of living standards differs in scope. Some people will get a higher pay raise and others a lower one. The living standards of a small number of people will be likely to decline. Take retired staff members and workers for example. Price hikes could cause their living standards to decline as their retirement funds are not raised. Recently the state has paid attention to this problem. Consequently, subsidies have been given to the retired staff and workers. Generally speaking, those families, most of whose members have jobs to do and who support fewer people, can improve their standard of living a bit faster while standards for those families whose members have fewer jobs to do but who have to support more people will improve more slowly, since they have greater difficulties to contend with. Since the 3d Plenary Session of the 11th CPC Central Committee, above all else, the living standards of the peasants have improved. The problem of 800 million peasants having enough to eat and wear has been solved but at present there are a small number of peasants who still have problems with food or clothing. The people's living standards in 10 cities have also improved. Compared with the improved livelihood of the peasants, the improvement is less significant. However, in terms of the situation as a whole, the living standards of the urban population are higher than those of rural population. As far as the livelihood of urban population over the last few years is concerned, thanks to the quite large amounts of wages and bonuses handed out to 80 million staff and workers, living standards rose a little faster and the livelihood of office and school personnel who received little or no bonuses at all improved less significantly. With the introduction of wage readjustments in 1985, the wages of office and school personnel have been raised quite considerably and their standard of living is now basically the same as that of staff and workers in other trades and professions. By first solving the problem of having enough to eat and wear for 800 million peasants and then the problem of improving the livelihood of 80 million staff members and workers, it will be comparatively easy to improve the livelihood of remaining 20 million office cadres and teachers.

AS PRODUCTION EXPANDS, CAN COMMODITY PRICES COME DOWN?

Answer: As production expands, the production costs of some commodities may rise and those of others may fall. Therefore, commodity prices need constant readjustment. Generally speaking, commodity prices always fluctuate. but, taken as a whole, they are basically stable. With regard to some products that are handicapped by natural conditions, the more they are produced, the higher their costs will be. This is particularly the case with the production of meat, chicken, and fish. Therefore, it will not be enough to depend on household sideline production in ensuring meat, chicken. and fish supplies. In running chicken and pig farms, the larger the scope, the higher the costs. The costs of light industrial goods using agricultural products as raw materials will increase as the prices of the latter rise. With the increased cotton prices, the costs of various varieties of cotton cloth will rise correspondingly. The costs of chemical fibers using industrial chemicals as raw materials are continuously on the decline. The past practice of subsidizing the production of cotton cloth by using the money earned from chemical fiber cloth sales resulted in the supply of cotton falling short of demand and in overstocking of chemical fiber cloth. Readjustments were introduced in 1983. With cotton cloth being available on the market without restrictions, the sales volume of chemical fiber cloth has drastically increased. People can go ahead boldly with their production.

This case fully indicates that price readjustments can develop production and improve the people's livelihood as well. Taken as a whole, the price of cloth remains stable. The prices of goods using industrial products as raw materials keep on declining. All in all, food prices are on the rise but stable, and the prices of commodities sold as daily necessities are declining.

WHAT IS YOUR APPRAISAL ON THE TREND OF CHANGES IN CHINA'S MARKET PRICES FOR 1986?

Answer: As I see it, there will be a continued increase in the supply of nonstaple foods in 1986. According to calculations, their prices will not rise. The prices of other commodities will be stable since the supplies are ample. So long as allowances in kind, subsidies, and bonuses are not distributed indiscriminately, I reckon commodity prices will remain basically stable.

WANG XINGJIA STRESSES COMMODITY PRICE INSPECTION

OW112222 Beijing XINHUA Domestic Service in Chinese 1430 GMT 10 Jan 86

[By reporter Chen Yun]

[Excerpts] Beijing, 10 Jan (XINHUA) -- Wang Xingjia, deputy director of the State Administration of Commodity Prices, announced here today: This year commodity price inspection work must be further strengthened. The focal point is to guarantee the smooth progress of price reform by centering around the stabilization of market commodity prices and the control of the rise of prices of means of production.

He said: Stabilizing market commodity prices means stabilizing the prices of the people's daily necessities, including the prices of grain, edible oil, meat, poultry, eggs, vegetables, durable consumer goods, and other consumer goods for daily use. The commodity price inspection departments must inspect the production and administrative departments of these commodities. The stress of the inspection of prices of means of production will continue to be laid on the enterprises and management departments that produce raw and other materials. Rolled steel, pig iron, cement, coke, soda ash, nonferrous metals, other raw materials for industrial production and raw and other materials needed for production of consumer goods in the light industrial market must be inspected.

Wang Xingjia said: Last year the whole country's commodity prices were inspected on an unprecedentedly large scale and for an unprecedentedly long time. Both the extensiveness and depth of the inspection were unprecedented. According to incomplete statistics, as of the end of November, the amount of money involved in cases discovered to have violated the policy on commodity prices and related regulations exceeded 273 million yuan. This played a positive role in stopping raising prices at will and guaranteeing the smooth process of commodity price reform.

In conclusion, Wang Xingjia said: The party Central Committee and the State Council recently full affirmed the inspection of taxation, finance and commodity prices and called for inspecting them once a year for the next few years. Therefore, it is necessary to have adequate personnel to inspect commodity prices in all places and to assign capable cadres to leading posts of commodity price inspection centers at all levels so as to raise the authority of commodity inspection departments.

ZHAO WEICHEN STRESSES FIRST-QUARTER PRODUCTION

OW122212 Beijing XINHUA Domestic Service in Chinese 1310 GMT 10 Jan 86

[By RENMIN RIBAO reporter Zhang Guorong and XINHUA reporter Huang Fengchu]

[Text] Beijing, 10 Jan (XINHUA) -- At today's office work conference on industry and transport, Zhao Weichen, vice chairman of the State Economic Commission, said: All localities and departments should display a reformist and innovative spirit; concentrate on improving economic results; arrange and organize industrial production and transport services in a solid manner during the first quarter of this year; develop the present excellent economic situation characterized by a sustained, steady, and coordinated growth; and make a good start to fulfill the annual plan.

Zhao Weichen said: This year's industrial production should maintain a normal rate of increase. The annual plan calls for an 8-percent growth rate. Based on previous experience, production in the first quarter should develop as much as possible. We should strive for a 10-percent national growth rate while achieving better economic results, so as to basically equal the level of the fourth quarter of last year and fulfill 24 percent of the annual plan. This arrangement will meet the needs of the markets, exports, and financial revenues. It will also enable us to have control over this year's work, and will facilitate reforms in general. Of course, the localities should figure out their own growth rates by taking their actual conditions into consideration. No uniform rates should be set for all localities.

Zhao Weichen stressed that in organizing production, the emphasis should be on improving the economic results. He said: During the first quarter of this year, all localities and departments should vigorously improve the economic results in industrial production. In making plans for their work, they should be concerned chiefly with invigorating and reinforcing the management of large enterprises, specifically requiring them to improve product quality, lower consumption and cost, accelerate capital turnover, switch deficit to profit, increase revenues, and reduce spending.

Zhao Weichen noted: In order to maintain a brisk market, all localities and departments should vigorously develop the production of consumer goods. Greater efforts should be made to increase the output of brand-name, quality, and durable consumer goods in particular. They should guarantee the quality of products, make more varieties and specifications available, lower material and energy consumption, and improve the economic results so as to meet the consumers new requirements.

Zhao Weichen stressed the necessity for all to do a good job of promoting exports to earn foreign exchange. He said: While arranging for the production and sales to export products during the first quarter, leadership at all levels in all localities should better understand the importance of foreign trade and export, reinforce the idea of earning more foreign exchange, treat this work as a vital matter, and do it successfully. He urged all localities and departments to earnestly improve the quality and offer more varieties of export products, increase the ability to earn foreign exchange, and ensure the availability of goods for exports. When contradictions develop between domestic sales and export, the former should yield to the latter. Exports should enjoy priority. Preferential treatment in terms of materials, fuel, power, and transport should be given to the production of export products, and joint industrial-trade operations should be encouraged. All of us should strive the ensure the fulfillment of one-fourth of the annual export plan during the first quarter.

Zhao Weichen urged all localities and departments to focus their attention on power supplies while organizing and arranging for production during the first quarter and to make proper arrangements for producing and conserving energy and for the raw and semifinished materials industry and the machine processing industry. We should further foster the idea of serving production and do a good job of transportation and communications to ensure security and civilized production.

NATIONAL EFFORT TO INCREASE ECONOMIC EFFICIENCY

OW111638 Beijing XINHUA in English 1533 GMT 11 Jan 86

[Text] Beijing, January 11 (XINHUA) -- China is determined to solve two key problems -- low economic efficiency of enterprises and inadequate earnings of foreign exchange from exports -- during the Seventh Five-Year Plan period (1986-1990), minister in charge of the State Economic Commission Lu Dong said today.

Economic efficiency consists of using minimum amounts of labor, raw materials and energy to produce as much quality goods as possible to meet the needs of society, Lu told a national conference on economic work which opened here today.

The leading economic official said enterprises should become more independent from the state in management and responsible for their own profits and losses, he said.

Lu said the general low efficiency of China's enterprises showed they were not being managed well.

For instance, Lu said, only 30 percent of the country's major machinery and electrical goods have reached world standards of the 1970s or early 1980s — and this has lowered potential export income.

Crucial to the improvement of economic efficiency upgrading of outdated equipment and use of new technology, he said.

Also important, according to Lu, is high efficiency management as well as linking the economic performance of enterprises with benefits to workers to increase enthusiasm and creativity.

At the same time, the minister said, by 1990 all factory managers — most of them elected by workers — should have full control of their enterprises, and all but small enterprises should establish commissions to advise managers on key issues.

Lu asked enterprises to perfect their systems for holding people accountable for their work and to increase the technical training of workers.

JINGJI RIBAO ON DEVELOPING EXPORT PRODUCTION SYSTEMS

HK140808 Beijing JINGJI RIBAO in Chinese 7 Jan 86 p 1

[Editorial: "Set Up an Export Production System To Boost Our Ability To Earn Foreign Exchange Through Exportation"]

[Text] A leading comrade of the State Council recently pointed out: The key to developing foreign trade is to increase the industrial and agricultural production capacity in our country and to increase exportation. It is necessary to firmly grasp the setting up of an industrial and agricultural export production system that has an independent structure that differs from the existing domestic structure.

This is the only way to boost the production of export commodities in line with the production level of our country. This is also a strategic measure to fundamentally increase the economic results of our export trade and to boost our ability to earn foreign exchange through exportation.

The setting up of an export production system is a demand of the new situation. What is the new situation? It is the situation of our country's opening to the outside world and of various localities opening to one another, the situation of the rapid development of the domestic productive forces, and the situation of the on-going comprehensive reform of the economic structure. It is precisely because of this good opportunity that we can consider the use of various forms for setting up an export production system and use this system to explore new ways of reforming the foreign trade structure of our country. Therefore, in implementing this strategic measure, we must do away with outdated regulations and restrictions, proceed from the basic idea of increasing export capacity, closely integrate the setting up of an export production system with the reform of the foreign trade structure of our country, and closely integrate the development of industrial and agricultural departments with technical transformation. This will help us to find a solution to the long-standing problems of the divorce of industry from commerce, having too many departments handling foreign trade, and competing among ourselves, and to establish an appropriate foreign trade structure in our country.

Setting up an export structure that is different from the existing domestic structure chiefly means to build, step by step and in a planned way, a number of bases for the production of agricultural and sideline products for export and to build a number of factories and mines specifically for the production of export products. At the same time, it is also necessary to build and perfect corresponding facilities for exportation so that these bases, factories, and mines can become the mainstays in exporting goods to earn foreign exchange in our country. These bases and special factories will no longer undertake domestic production tasks, but will concentrate their efforts on export production. Their economic benefits are directly linked to the foreign exchange earned through exportation. New methods different from those for enterprises producing goods for the domestic market should be adopted for enterprises undertaking export tasks in economic accounting targets, the price system, tax policies, retention of foreign exchange for their own use, and in awards. In short, it is necessary to ensure political and economic benefits for enterprises producing export commodities in order to arouse their enthusiasm in earning foreign exchange through exportation.

In building export bases, special factories, and special mines, we must adhere to the principle of choosing those with most favorable conditions, have a rational layout, openly invite tenders for selection, make assessments once every few years, and discard the "life-long tenure system." In this way we can ensure that the enterprises producing export commodities will always be the best in our country. Regarding the layout of the export production system, we must consider giving full play to the role of coastal special economic zones, open cities, and open areas; strengthening lateral economic ties such as technical cooperation, joint operations, and joint ventures between the coastal regions and the hinterland; boost the economy of the hinterland; and developing more major export commodities.

It can be expected that with the establishment and perfection of the export production system, the capacity of our country's export commodities to earn foreign exchange will increase markedly, the economic results of export trade will further increase, and a new situation in our country's foreign trade will appear in the later period of the Seventh 5-Year Plan.

HUBEI YOUTH JOURNAL COVERS ECONOMIC REFORMS

OW101144 Beijing XINHUA in English 1022 GMT 10 Jan 86

[Text] Wuhan, January 10 (XINHUA) -- The bi-monthly YOUTH FORUM, published in this Hubei provincial capital, is becoming increasingly influential among Chinese young people for its coverage of the country's economic reforms.

YOUTH FORUM, the first theoretical journal in China catering to youth, has a circulation of 30,000, editor-in-chief Li Minghua told XINHUA here.

"Our journal began publication in November 1984 and its editing guideline is to air the views of youth on reform and discuss problems arising in the course of the reform," he said.

Most contributors are people in their 20s and 30s, including college students, postgraduates, teachers and government officials.

"We've selected 160 articles from thousands of contributions and carried them in seven issues so far," said Li, a 1982 graduate of the philosophy department of Wuhan University.

"The contributions indicate that the youth are paying great attention to democracy, freedom, China's open policy and the socialist commodity economy," he said.

The journal's first issue carried an article titled, "Salute to Freedom", by Hu Deping, a member of the liaison group in Hubei Province of the Central Party Consolidation Guidance Commission.

Hu said, "I hope that the word 'freedom' will not become a taboo politically." He is of the opinion that paying attention to freedom means paying attention to progress in the social productive forces.

The editor-in-chief explained that freedom was criticized as relating to the bourgeoisie in China for a long time. The article was therefore reprinted by the PEOPLE'S DAILY, and other newspapers and magazines.

The first issue also carried an article -- "Modernization of People" -- by Xu Sumin, 32, a worker at the philosophy institute of the Wuhan-based Huazhong (central China) Engineering College.

Xu stressed that China's modernization program should also include modernization of people, namely, modernization of the mode of thinking, behavior and feelings.

"Young people hope that their views will help the authorities make policies," Li Minghua said.

For example, there are different views on whether a special currency should be issued in China's four economic zones, where flexible policies are being pursued to attract foreign investment.

Ding Ningning, in his 30s, a worker at the State Council Economic and Technological Research Center, suggested postponing the issuance of the currency, in an article also carried in the journal's first issue.

A group of students from Wuhan University said in an article in the journal's sixth issue: "As reform serves as the internal momentum for China's socialist modernization, it will irreversibly spur the country's social progress."

Economist Yu Guangyuan, who is an adviser to the China Academy of Social Sciences, said that the questions raised in YOUTH FORUM impel him to read more books and consider things he had never thought of before.

According to the magazine's regulations, its editor-in-chief, elected from among the editors, should be no more than 40 years of age.

YOUTH FORUM is published by 11 workers at the Hubei Provincial Academy of Social Sciences. Most of them graduated from colleges between 1982 and 1984, and their average age is 27.

Its editor-in-chief, no more than 40 years of age, was elected from among the editors according to the magazine's regulations.

Each of the editors is required to read at least one new book a month and share what he has learned with others every five days.

They study works by Marx, Lenin and Mao Zedong, books on world history, economy and contemporary philosophy, as well as works on the world technological revolution published in the West.

CHINA ZHI GONG DANG HOLDS NATIONAL WORK CONFERENCE

HK160801 Beijing RENMIN RIBAO in Chinese 11 Jan 86 p 4

[Report: "The China Zhi Gong Dang Central Committee Holds National Work Conference"]

[Text] The China Zhi Gong Dang Central Committee held a national work conference in Beijing from 5 to 10 January. Attending it were members of the Central Committee Standing Committee and principal responsible persons of its branches at the provincial and city levels. Chairman Huang Dingchen presided over the meeting. Yan Minfu, head of the United Front Work Department under the CPC Central Committee, and deputy head Li Ding spoke at the meeting.

The meeting held: It is imperative to promote new cadres to the leading bodies of the party's Central Committee and branches. Efforts must be made to look for qualified persons in this field. The succession of new cadres to old should be completed before June and there must be an orderly system of succession for cadres. This is an urgent need for democratic parties in promoting long-term existence and mutual cooperation with the CPC. It is also a pressing necessity in coping with the growing development of the situation. We must, therefore, waste no time in doing a good job of it. The meeting urged the party's branches at all levels to consolidate their organizations, to carry forward the fine tradition of self-education of democratic parties, to resist and oppose all erroneous ideas and unsound practices violating the four cardinal principles, to further improve their leading bodies and working groups, to build a strong backbone of their own members, and to properly arrange the regular activities of the party's branches.

China Zhi Gong Dang has well-established relations with Overseas Chinese and compatriots in Hong Kong and Macao. Under the present excellent situation in reforms and economic construction, the meeting called for establishing wide connections with Overseas Chinese and compatriots in Hong Kong and Macao so as to arouse their enthusiasm in supporting the modernization program and making greater contributions to the accomplishment of our great cause of reunification of China.

WAN LI ASSESSES KEY TO RURAL ECONOMIC DEVELOPMENT

OW161826 Beijing XINHUA in English 1630 GMT 16 Jan 86

[Text] Beijing, January 16 (XINHUA) -- Vice-Premier Wan Li said today that the key to further rural economic development was to provide farmers with more technical know-how and new technology.

Addressing the closing ceremony of a national science meeting which opened here on Sunday, Wan said that by 1990, China hoped to increase its annual grain production to 450 million tons.

This was an arduous task, and to accomplish it, scientific methods would be needed to increase grain yeild per hectare.

Wan called on science departments to provide technical help for the development of animal husbandry, aquatic produce and forestry.

He also urged scientists to serve rural enterprises, which now employed more than 62 million people, and which produced output worth 230 billion yuan a year, accounting for nearly half all rural output value.

More skilled and specialized people were needed to push ahead with rural economic restructuring, especially the development of commodity production.

Wan said he hoped that scientific and educational institutes throughout China would work together to provide 100 million young peasants with a middle school education to enable them to contribute more effectively to rural prosperity.

PENG ZHEN SPEAKS DURING ANHUI INSPECTION TOUR

OW161031 Hefei ANHUI RIBAO in Chinese 24 Dec 85 p 1

[Report by reporter Qian Lin]

[Text] Braving snow and severe cold, Peng Zhen, member of the CPC Central Committee Political Bureau and chairman of the NPC Standing Committee, made an inspection tour of our province from 20 to 22 December. Comrade Peng Zhen last visited Anhui 25 years ago, and has often thought of the province since then. He visited the Anhui people with deep feelings for them. He encouraged them to persistently carry out reform, improve the party's work style, carry forward the glorious revolutionary traditions, and work together for a splendid future while undertaking the four modernizations.

Comrade Peng Zhen last made an inspection tour of Anhui in 1960. The current inspection tour was his second. Accompanying him were Wang Houde, deputy secretary general of the NPC Standing Committee; Xu Kongrang, deputy secretary general of the Political and Legal Commission of the CPC Central Committee; and other comrades. He wanted to see the changes that had taken place in Anhui over the past years. He said: Anhui is an old revolutionary base area. The party and the people here have a fine revolutionary tradition and rich experience in struggle. Since Anhui is also rich in natural resources, it has a foundation for socialist modernization. Comrade Peng Zhen was particularly gladdened by the new phenomena in Anhui, especially the province's new economic development since the 3rd Plenary Session of the 11th CPC Central Committee. He told Huang Huang, secretary of the provincial party committee: I have not visited Anhui for years. Seeing is believing. Anhui has indeed developed rapidly and changed greatly over the past several years.

During his 3-day inspection tour of Anhui, Comrade Peng Zhen's schedule was very tight. Accompanied by Comrades Huang Huang, Wang Yuzhao, Shi Junjie, Yuan Zhen, and Wang Guangyu, he called on personnel of the provincial party committee and the provincial People's Congress Standing Committee and heard briefings on the work of these committees. He met with leading cadres of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress, the provincial CPPCC Committee, the provincial Discipline Inspection Commission, the provincial Military District, and military academies and schools, as well as with old provincial-level comrades staying at the second or third line, and principal responsible persons of provincial-level departments and bureaus. He also heard briefings by the secretaries of the Fengyang, Jinzhai, Wuwei, and Guoyang County CPC Committees on their work. Full of zest, he also visited the Hefei bicycle factory and the Hefei rubber plant and toured Hefei City. In addition, he called on workers engaged in production and conveyed to them his best regards. Hale and hearty despite his advanced age of 83, Comrade Peng Zhen talked cheerfully and humorously. Although it was the middle of winter, he wore only a dark gray Chinese-style tunic suit, without an overcoat. While making a serious study and investigation of work in Anhui, he discussed questions with people, such as questions regarding the carrying out of reform, the strengthening of people's congress work at various levels, and the study of Marxism-Leninism.

Comrade Peng Zhen said: The situation in Anhui and other parts of the country shows that the political and economic situation in our country is generally good, and so is the trend of its development. He stressed: We must achieve ideological unity in order to invigorate the economy and open the country to the outside world. We must unify the thinking of all party members on the basis of the party Constitution and the thinking of all people on the basis of the state Constitution. Generally speaking, we must coordinate our actions in accordance with the party's line and its general principles and policies. Only thus can we develop the four socialist modernizations smoothly and relatively fast. Comrade Peng Zhen pointed out: The reforms we are carrying out reflect the self-improvement of the socialist system. It means that we must do things according to the situation in our country and our specific conditions, so that all our work will be done more practically and effectively if the reforms are carried out. Some people worry that policies will change. The party's general principles and policies will not change, nor will the policies of opening to the outside world and invigorating the domestic economy, and nor will the principle of delegating managerial powers to lower levels. Comrade Peng Zhen also said: The agricultural output-related system of contracted responsibilities has not only proved effective in practice, it is also based on Marxism-Leninism in theory. Our country practices three systems of ownership -- ownership by the whole people, collective ownership, and individual ownership -- and implements various socialist responsibility systems, all of which are written into the Constitution. In instituting a responsibility system, we must clearly define our responsibilities. Marxism interprets socialism as "from each according to his ability, to each according to his work." This of course calls for instituting a responsibility system in both theory and practice. As to which system of ownership -- ownership by the whole people, collective ownership, or individual ownership -- is to be implemented in each case, it depends mainly on which system of ownership is conducive to the development of the productive forces. In so doing, we should act according to local conditions and in a manner suited to the times. For instance, collective efforts are needed to build roads and water conservation projects, but individual care is needed in field management. A peasant takes care of his crops just as a mother does her children. What we did in the past was against the laws of nature and economics; consequently, we suffered great losses. Without the masses' voluntary participation, reform will be out of the question. Nothing that is proved correct in practice and is beneficial to the people will change.

In dealing with reform of the economic structure, Comrade Peng Zhen particularly discussed the question of delegating powers to lower levels. He said: Some of the powers of the central authorities should be delegated to the provinces. Take Anhui for example, the province has a vast area and a population of more than 50 million, and its conditions are complicated. In addition, economic and cultural developments in various parts of the province are unbalanced. Should the central authorities exercise excessive control, it would not be conducive to bringing the initiative of the local authorities into full play. In that case, what should be developed cannot be developed. Therefore, the central authorities should appropriately delegate some of their powers to the provincial authorities, who, in turn, should delegate some of their powers to the city and county authorities. As to what powers should be delegated to lower levels and how it should be done, this should be discussed. If this work is done conscientiously and effectively, our economy will develop in a more healthy way and with fewer difficulties. Comrade Peng Zhen said: Delegating powers to lower levels also includes delegating powers to enterprises. It is necessary to give greater decision-making powers to enterprises in order to enable them to display more vitality.

On the development of Anhui's economy, Comrade Peng Zhen pointed out: Our country is now implementing the policy of opening to the outside world, but there are not sufficient exchanges among various provinces and municipalities. Anhui is near Shanghai, and it should make use of this favorable condition. Anhui and Shanghai should learn from each other's strong points to offset their weaknesses and help meet each other's needs. They should absorb technology, equipment, and experience from each other and invite a number of each other's skilled veteran workers to work in their areas in order to do a good job in regional economic and technical cooperation. It is necessary to introduce advanced technology from abroad, and it is all the more necessary to introduce advanced technology from nearby provinces and municipalities. This will make it possible for us to bring about a steady and coordinated development of our economy.

On the work of people's congresses, Comrade Peng Zhen said: The NPC and the provincial and county people's congresses have been strengthened since the 3d Plenary Session of the 11th CPC Central Committee. They all need to gain experience little by little. He greatly appreciated the provincial People's Congress' understanding that the provincial party committee's central task is also its own central task. The provincial party committee, provincial Advisory Commission, provincial People's Congress, provincial people's government, provincial CPPCC Committee, and provincial Discipline Inspection Commission, when put together, form a big collective, like a set of equipment or a harmonious band. Under the leadership of the party, they cooperate with one another and, although using different methods, do their work for one ideal, the ideal of communism, and for one objective and task, socialist modernization. Comrade Peng Zhen said: When veteran comrades join people's congresses, they should change their working methods. They should no longer write slips of paper of instructions, issue orders, or do strenuous administrative work; they should mainly make systematic study and investigation of problems and consider these problems objectively, comprehensively, and thoroughly in order to better implement the party's relevant decisions.

Referring to legislation and law enforcement, Comrade Peng Zhen said: After learning the lessons paid for with blood during the "Cultural Revolution," we have been determined to strengthen socialist democracy and the socialist legal system. The 3d Plenary Session of the 11th CPC Central Committee was of epoch-making significance in strengthening the legal system. Even before that session, Comrade Deng Xiaoping said: Socialist democracy must be institutionalized and written into law, so as to make sure that institutions and laws do not change whenever the leadership changes or whenever the leaders change their views or shift the focus of their attention.

All this ensures that there will be laws to go by, that they will be observed and strictly enforced, and that violators will be made to account. The party Constitution adopted at the 12th CPC National Congress stipulates explicitly that the party must conduct its activities within the limits permitted by the Constitution and laws of the state. The party Constitution also provides that all party members are equal before party discipline. This provides the political and ideological foundation for our country's legal system.

On studying Marxism-Leninism, strengthening party building, and correcting unhealthy tendencies, Comrade Peng Zhen said: Stress should be placed on rectifying the party's work style. He said: If we are successful in carrying out party rectification, party members will play a leading and exemplary role in various fields. Then, it will be easier to solve other problems. To do a good job in party rectification and party building, we must first achieve ideological unity throughout the party and raise the ideological and political qualities of all party members. At the National Conference of Party Delegates, Comrade Deng Xiaoping called for studying the basic theory of Marxism-Leninism. This reflects an extremely important view. Our ideological weapon to undertake socialist modernization is still Marxism-Leninism-Mao Zedong Thought. Dialectical and historical materialism represents our basic stand, viewpoint, and method. All party comrades especially leading party cadres at various levels, should take the lead in studying Marxism-Leninism and the party Constitution and in building socialism. After reviewing the party's fine tradition and work style during the Red Army period, Comrade Peng Zhen pointed out: We now have correct policies. Our party now needs some cadres who are devoted to the communist cause and serve the people wholeheartedly. If these cadres arouse the masses with their deeds, it will not be difficult to solve problems. Only thus can we do a good job in party building. While holding discussions with county party committee secretaries, Comrade Peng Zhen said: In party building, cities and counties play a very important role because they are key units in implementing the central authorities' principles and policies, in keeping abreast of the conditions at lower levels, in forging close ties with the masses, and in directing the work at level levels. Meanwhile, cities and counties do the basic work for the party. If the work at the city or county level is done effectively, our overall work will improve considerably. Comrade Peng Zhen called on party cadres at various levels, including young and old cadres as well as those assigned to posts and those retired, to study conscientiously Marxist-Leninist theory, to inherit and carry forward the party's fine tradition, and to further bring a turn for the better in the party's work style. He said: The Anhui Provincial CPC Committee has grasped a key question by paying special attention to raising the party members' political consciousness and enhancing their party spirit while strengthening party building. Anhui's work is full of promise if you step up the work of party building and give full play to the party as the core of leadership in all fields. He said that he expects to see another new situation in Anhui when he revisits the province in the future.

MINISTERS HE KANG ON AGRICULTURAL DEVELOPMENT

HK141310 Beijing NONGMIN RIBAO in Chinese 2 Jan 86 p 1

[Article by He Kang, minister of agriculture, animal husbandry, and fishery: "Persist in Deepening Reforms and Promoting the Stable and Coordinated Development of Agriculture"]

[Text] In 1985, China abolished the system of centralized procurement in the rural areas, relaxed the prices of agricultural products, and brought rural reform to the second step. The rural production structure is changing toward rationalization. The commodity economy is full of vigor and its trend of development is good. The rapid growth of the rural economy is indicative of the great achievement in rural reform and helps strengthen our determination to persist in rural reform.

The first year of the Seventh 5-Year Plan begins in 1986. To profoundly carry out the second step of rural reform, it is necessary to readjust the rural production structure and to promote the stable and coordinated development of agriculture.

Ensuring a stable increase in grain production is a prerequisite for readjusting the rurual production structure and developing a diversified economy. Developing a diversified economy will, in return, create conditions for the stable increase in grain production. For example, in the 6 years from 1979 to 1984, the grain area was reduced by 115 million mu to provide conditions for growing industrial crops. Due to the increase in per unit yield, the total grain output rose by 200 billion jin, bringing about a new situation of simultaneous increases in grain and industrial crops. The development of township enterprises has provided funds for agricultural construction, apart from blazing a trail for the transfer of agricultural laborers. Facts have proved that various trades in the rural areas mutually promote each other when there is good coordination. It is inevitable for some problems to arise in the course of readjustment. To solve these problems, it is necessary to persist in rural reform and rational readjustment. In the readjustment of the production structure, it is first necessary to stabilize grain production. China's gross grain output is expected to reach 900 billion jin by 1990, with per capita consumption of 800 jin of grain, basically maintaining the balance between grain supply and demand. It is not easy to realize this target. Therefore, we must work out a series of measures with regard to the purchase and marketing of grain, the application of science and technology, and the injection of materials. Various localities should continue to persist in the methods of "using industry to make up for agriculture" and "using industry to build agriculture." They should also do a good job in fostering and supplying fine varieties of crops, popularizing high yield technology, giving specialized training, raising per unit yields, improving the quality of products, and increasing the peasants' income. They should develop animal husbandry in grain producing areas, engage in the aquatic industry wherever possible, encourage the combination of agriculture with animal husbandry and agriculture with fishery, convert surplus grain and crop residues into meat, milk, leather, and fur, and simultaneously develop the food processing industry as well as the fur processing industry. The way to prosperity that the Chinese peansants should take is to combine crop plantings, breeding trade, and the processing industry. Following the transfer of rural laborers to nonagricultural undertakings, such as township enterprises and small town construction, it is necessary to concentrate farmland in the hands of skilled farmers, to improve the level of agricultural mechanization, and to bring into play the role of the planting industry. With regard to acreage under grain, the principle of "large-scale stabilization and small readjustment" should be applied. Grain producing areas and commodity grain areas should first do a good job in grain production and then readjust their acreage for growing grain according to per unit yields and the possibility of transferring grain from other areas.

We should develop industrial crops in a planned way on the basis of ensuring a steady increase in grain production. Industrial crops should be developed in line with the supply and demand of the market; they should not be developed blindly. We should make full use of investigation results of agricultural resources and do a good job in information, processing, transportation, and marketing work as well as in giving macroguidance.

Emphasis should be laid on the development of animal husbandry and marine production in the course of agricultural structural readjustment. Ninety percent of the meat and vegetables throughout the country are from the country's agricultural areas. Agricultural areas are rich in grain, crop residue, and fodder, but these have not been fully utilized. These areas have great potential in developing animal husbandry and should therefore pay serious attention to conversion work.

It is necessary to strengthen construction in pastoral areas and grasslands, improve living conditions there, and gradually solve the problem of "having enough to eat in summer, being fat in autumn, becoming thin in winter, and dying in spring" in animal husbandry. Regions possessing the necessary conditions should enable their "pastoral areas to become prosperous, agricultural areas to thrive, and townships to carry out marketing." Developing the breeding industry by combining fishery, agricultural, and animal husbandry will be beneficial not only to alleviating the shortage of fish supplies, but also to forming a virtuous cycle. It is an important method for enlivening the rural economy and making the peasants better off. In developing marine production, ponds, low-lying areas, and alkaline shoals should be fully used. Care should be taken to prevent farmland from being changed into ponds. Attention should be paid to achieving actual results through rational planning.

It is important to develop township enterprises in the course of readjusting the industrial structure. New townships in the rural areas have emerged following the development of township enterprises. In line with the principle of "active support, rational planning, correct guidance, and good management," township enterprises should base themselves on agriculture, serve agriculture, and put the emphasis on providing service for agriculture, animal husbandry, and fishery. Economically developed areas should engage in the processing industry so as to serve the urban industry and export trade. In our future development, we should, with the support of the state, rely on collective accumulation and accumulation by the peasants, taking account of materials, energy, communications, and other social factors. We should make efforts to strengthen consolidation and management work in enterprises, to improve the quality of products, and to achieve better economic results. We should take effective measures to solve the problems concerning safety in production, environmental pollution, and excessive occupation of farmland.

Good conditions for production in the rural areas are an important material base for developing the rural economy. Leading comrades of the CPC Central Committee are quite concerned about this. It is necessary to strengthen the construction of water conservancy projects, to improve middle- and low-yielding fields, and to enhance land productivity; to strengthen construction in pastoral areas and grasslands; to strengthen aquatic production in rivers, lakes, and sea and to develop the construction of basic facilities for ocean fishing; to strengthen the construction of basic facilities for agricultural production, to form a fine variety breeding system for agriculture, animal husbandry, and fishery, a popularization system for production and technology, and a system of operation, management, and service; and to develop the construction of basic facilities for processing, preservation, packing, transportation, marketing, information, and quality control.

The development of agriculture relies on the implementation of polices and the application of science. Over the past few years, agricultural polices have produced a strong impact on agriculture, and science is playing an increasingly important role. This calls for introducing more cooperative service. We should do a good job in agricultural scientific research and technology popularization work in order to increase agricultural products and improve their quality. Agricultural scientific research should be carried out in line with the market demand for agricultural products and for the purpose of providing fine varieties of crops and high-yield technology for the peasants. In addition, the work of tackling key technological problems should be focused on the state's major production projects and the construction of commodity bases. As the crux of converting science into a productive force lies in technological popularization work, from now on various counties are required to gradually create conditions for shifting to the comprehensive popularization of technology in agriculture, animal husbandry, and fishery.

They should also build technology popularization groups at the township and village levels, combine service with operation, develop compensatory service, form economic bodies, and increase their own vitality. It is necessary to strengthen rural intellectual exploitation and improve the peasants' quality. In this respect, the key point is to run well agricultural professional and technical schools.

To gradually build and perfect a new commodity circulation system and form a socialist market with strong self-regulating ability, it is necessary to explore and establish a new circulating form, apart from bringing into play the role of commercial, supply and marketing, and foreign trade departments. On the one hand, agricultural, animal husbandry, and fishery departments should carry out their own reforms well, participate in circulation, run companies of agriculture, industry, and commerce, of animal husbandry, industry, and commerce, and of fishery, industry, and commerce, form a chain of production, supply, and marketing, and establish economic service organizations, which integrate trade, industry, and agriculture. On the other hand, it is necessary to energetically open up various nongovernmental circulation channels. Viewed from the experiences of various localities, some new circulation forms are worth emulating. The first form is setting up specialized production associations. In other words, production, processing, transportation, and marketing are linked together. Capable persons in the trade concerned take charge. The whole process of commodity production and circulaton is discussed for the purpose of maintaining the normal production, supply, and marketing of commodities. The second form is building a specialized market where the production and marketing of a large quantity of specialized commodities can be directly linked and through which commodity exchange can be carried out with other areas. The commodity economy will develop toward specialization and socialization. The third form is training purchase and marketing personnel among the peasants and carrying out long distance trade. The personnel will travel to all parts of the country, selling products, buying raw materials, and providing information. This is an indispensable factor for enlivening the rural economy. In addition to the original circulation forms, these new circulation forms will greatly promote the development of the rural economy.

The export of agricultural and sideline products occupies an important position in the country's foreign trade. Of the country's total commodity export of $24.4 billion in 1984, the export of agricultural and sideline products was $4.1 billion and the foreign exchange income of township enterprises was $3 billion. Township enterprises have great potential in exporting their traditional handicrafts and small commodities. Developing agricultural exports will enable us to make important contributions to earning foreign exchange for the state. It will also help improve the quality of agricultural products and bring about the modernization of agriculture. To further tap our potential in increasing foreign exchange earnings through exports, we should first improve the quality of products and our competitiveness in exports. We should build a number of agricultural, animal husbandry, and fishery production bases that cater to the needs of exports. In the meantime, we should also introduce foreign capital, technology, and equipment in order to speed up the production of agricultural products that will help increase foreign exchange earnings.

In the first year of the Seventh 5-Year Plan, we should be full of confidence, take the overall situation into account, work in a down-to-earth manner, pay attention to actual results, and maintain and develop the good development trend in the rural economy.

JINGJI RIBAO ON FULFILLING GRAIN PURCHASE PLAN

HK140349 Beijing JINGJI RIBAO in Chinese 10 Jan 86 p 2

[Commentator's article: "Insist on Contract Purchases and Strive To Fulfill the Grain Purchase Plans"]

[Text] At present, the grain purchase work has entered its late stage, but grain purchase targets in some localities have not been fulfilled yet. All localities should continue to push this work and should intensify inspection and supervision over this work in order to fulfill the state's grain purchase plan. This important matter has a bearing on the maintenance of the grain contract purchase system and of the policies on pursuing this system. This work is of great significance in promoting the development of industrial and agricultural production and further advancing our economic prosperity.

In 1985, we replaced the grain monopoly purchase system with the contract purchase system. In the spring of 1985, the departments concerned in various localities sent large numbers of functionaries to rural villages to give publicity to the new policy and sign grain purchase contracts with peasant households. This thus organically integrated the state's grain purchase plan with the household contract system in rural production and started the functioning of the grain contract purchase system. Like other reform measures, it takes time for the grain contract purchase system to develop into a sound economic contract system. In the process of implementation, this system needs to be continuously improved and many links have to be changed in order to adapt them to the new system.

Purchasing grain from peasants and putting grain in state depots is a key step in fulfilling the grain purchase contracts. We should notice that there is a material foundation for fulfilling the 1985 grain purchase target. Because some areas suffered from major natural disasters and some localities experienced a reduction in grain output from the previous year as they readjusted the grain growing areas, some difficulties do exist for fulfilling the grain purchase contracts. But we must point out that the 1985 total grain output still approached the level of 1983 and exceeded the 1982 figure; the total product of society in the countryside and the total income of peasants continued to increase in the past year. All this certainly left room for fulfilling the grain purchase plan. As long as we appropriately coordinate the purchases in areas that reaped a good harvest and in areas which suffered crop failures, we can still fulfill the grain purchase plan as a whole.

All localities should carry out all-round inspection of the performance of grain purchase contracts in the course of purchasing grain and putting grain in state depots. In localities where natural conditions are normal and people can fulfill the purchase contracts, the authorities concerned must work actively to fulfill the purchase targets. The grain department should purchase grain from peasants strictly according to the specifications, quantitites, and prices specified by the contracts. Localities that reaped good harvests should be ready to purchase surplus grain that peasants sell after fulfilling their contracts. Localities that suffered crop failures can appropriately reduce their purchase targets and adopt a realistic attitude to help peasants wade through difficulties. The authorities there must not force peasants to sell grain beyond their capacity. After fulfilling their contracts, peasants should be allowed to sell surplus grain to free markets. Free transactions of grain should be determined by market forces. The work concerning grain is a complicated part of economic work. It must strictly follow policies and require careful efforts all localities should strengthen leadership over this work, give wide publicity to state policies, seriously sum up experience in pursuing the grain contract purchase system, gradually improve this system in a realistic manner, and prepare for the signing of grain purchase contracts in 1986.

FUJIAN'S HU PING ATTENDS ECONOMIC MEETING

OW151346 Fuzhou FUJIAN RIBAO in Chinese 30 Dec 85 p 1

[Excerpts] The first Fujian provincial meeting on negotiating economic and technological development of mountain regions was held in Fuzhou from 19 to 23 December. Some 170 agreements and letters of intent and 15 formal contracts were signed at the meeting.

The meeting was sponsored by the provincial economic commission, provincial association of science and technology, and provincial economic and technological cooperation office, and the Fuzhou City Association of Science and Technology. Leading comrades of the provincial government Hu Ping, You Dexing, and Chen Mingyi attended and addressed the meeting.

FUJIAN LEADERS FETE XU JIATUN, HONG KONG GUESTS

OW152318 Fuzhou FUJIAN RIBAO in Chinese 30 Dec 85 p 1

[Excerpt] (FUJIAN RIBAO report) At the invitation of the Fujian Provincial People's Government, Xu Jiatun, chief of the Hong Kong branch of XINHUA, and his wife; Mr Huo Yingdong (Henry Ying Tung Fok], a Hong Kong celebrity and president of the Hong Kong Chinese Chamber of Commerce, and his wife; Huo Zhenting [7202 7201 7200], son of Mr Huo Yingdong, and his wife; and Yang Qi, secretary general of the Hong Kong branch of XINHUA, visited Fujian 27-30 December.

Xiang Nan, Hu Ping, Hu Hong, Cheng Xu, and Yuan Gai met with them and hosted a dinner in their honor on the evening of 29 December.

SHANDONG SECRETARY ATTENDS OPENING OF JOINT VENTURE

SK160601 Jinan Shandong Provincial Service in Mandarin 2300 GMT 15 Jan 86

[Excerpts] With the approval of the Ministry of Foreign Economic Relations and Trade, the Shandong International Economic Development Company, our province's first comprehensive joint venture to carry out investment, opened business on 15 January. Liang Buting, secretary of the provincial CPC Committee, spoke at a reception held to mark the opening of business. (Huang Hongnian), president of the Singapore Joint Industrial Ltd, was present at the reception.

The major business of the company is to strengthen international economic and technological cooperation and exchanges; import advanced applicable technologies and scientific managerial methods; make use of the rich resources of Chandong to carry out investment in industry, agriculture, and tourism; conduct imports and exports of the products of the invested enterprises; and offer domestic and foreign economic, technological, and market information services. The company will do its business through various measures, such as joint ventures, cooperative production, processing and assembling, and compensatory trade.

ZHEJIANG OFFICIALS SELECTED BY PUBLIC EXAMINATION

OW151336 Beijing XINHUA in English 1145 GMT 15 Jan 86

[Text] Hangzhou, January 15 (by XINHUA correspondent Huang Guowen) -- China, now trying to modernize, is experimenting with new methods for selecting officials.

One example is Ningbo City, Zhejiang Province, where nearly 30 people have been promoted to posts at the city government bureau or lower levels. Those who think they are qualified for official posts can recommend themselves, according to officials at the organization department of the city party committee.

The new practice breaks away from the existing system under which cadres are appointed by higher authorities with recommendation from that department.

The newly appointed officials will have fixed tenures for one to three years. This aims at changing the sustem under which official posts are lifelong.

More than 1,170 letters recommending new cadres had flooded the city government since the city authorities decided to select the first five bureau directors through public recomemndation last July.

"We never expected so many candidates. That made easier for us to choose competent ones," said an official in charge of the task.

The five, chosen from over one thousand candidates recommended by the public, underwent investigation and were tested in written and oral examinations by committees of experts.

Most of the candidated were aged between 35-50 and had college education. The new policy calls for promoting those who are young and politically aware and have experience to leading positions.

In addition to the old approach of consulting personnel files and talking with candidates, written and oral examinations were given to test the professional abilities of these selected nominees. In an exam, Chen Gang, 31, now director of the city bureau of commodity prices, was asked to explain what he would do to control vegetable and food price increases caused by adverse weather. Chen proposed to raise the pruchase prices of pork, rape and bean products while freezing their prices in state-run groceries by providing them with subsidies. His answer satisfied the examiners and, on their recommendation, he got the post he had wanted.

The other candidates were all asked to write papers describing programs and measures for their future posts. They were required to give a public reply to examiners after the papers were presented.

Engineer Zhang Minggang, 42, who had worked in Ningbo for six months, were appointed head of one of the city's key projects -- the Ningbo cardboard factory which uses imported equipment.

"I recommended myself but I did not expect the appoinment since I have worked here for such a short period," said Zhang, who graduated from a forestry institute in the 1960's.

The new selection system of Ningbo City has won the approval of the Organization Department of the Chinese Communist Party Central Committee and is being practised in two provincial bureaus.

EXPLOSION ON WUCHANG-GUANGZHOU TRAIN LEAVES 7 DEAD

HK170139 Beijing ZHONGGUO XINWEN SHE in Chinese 1437 GMT 16 Jan 86

[Text] Guangzhou, 16 Jan (ZHONGGUO XINWEN SHE) -- At 2213 yesterday evening, the seventh car of the Wuchang-Guangzhou Train No 247 exploded in a place between Baishidu Station and Pingshi North Station in Shaoguan. As of 1300 this afternoon, 7 passengers were dead, 14 were seriously injured, and 25 were slightly injured. The identities of the dead and injured and the cause of the exploding are still under investigation.

The accident has not affected the normal operation of either the passenger train or the cargo train on the Beijing-Guangzhou railroad.

HENAN MEETING CALLS FOR IMPROVING ORGAN STYLE

HK160219 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 15 Jan 86

[Excerpts] Henan Provincial CPC Committee Secretary Yang Xizong has been presiding over a Standing Committee meeting in the past 2 days to seriously study, in connection with Henan realities, the speeches of Hu Yaobang and other leading central comrades at the central organ cadre gathering. The meeting decided the efforts should be made, starting with the Standing Committee, to take the lead in linking with reality, in conducting comparison and examination, and in straightening out party style, so as to make the provincial organs an example for the whole province.

Yang Xizong said: Right at the beginning of this year, the CPC Central Committee has started with the central organs in seriously rectifying party style. This is a major policy decision that accords with the desires of the party, Army, and people. Henan must ride this east wind, and closely integrate consolidating the fruits of party rectification and getting a good grasp of reviewing the course of party rectification in the provincial organs with correcting unhealthy trends among leading organs and cadres. This must be regarded as a major task for 1986 and truly grasped well. We must promote a fundamental turn for the better in party style and social mood and the smooth progress of reform of the urban and rural economic structure.

The current political and economic situation in Henan is good. However, there has not yet been a fundamental turn for the better in party style. The provincial CPC Committee holds that the manifestations of unhealthy trends pointed out by the leading central comrades exist in Henan in varying degrees. In particular, political liberalism and ideological individualism exist to a rather serious extent among certain party-member cadres. Some people enthusiastically pass on gossip and make irresponsible remarks without regard for right or wrong. Some are seriously individualistic, use their powers for private purposes, and openly stretch out their hands to the organization for official posts, pay and conditions. Some even violate law and discipline and are involved in certain major criminal cases.

The Standing Committee members held: As far as province is concerned, the key to straightening out party style lies in the provincial organs and the leading cadres. Hence, in straightening out party style, we must certainly not adopt the method of making the lower-level cadres take the medicine for the illness of the leading cadres. We must start with the provincial CPC Committee Standing Committee and first straighten out the party style of cadres at and above section level in the provincial organs.

The Standing Committee meeting decided to establish a leadership group for straightening out party style in the provincial organs, formulated the following specific measures:

1. Seriously study the speeches of the leading central comrades.

2. Do a good job in comparison and examination. Beginning with the provincial CPC Committee, the CPC committees and groups of all provincial departments and units must hold party life meetings to examine and correct their own problems in light of the speeches of the leading central comrades. Problems that have been examined during party rectification must be checked to see if they have been put right in the course of a review. The units should examine whether they have met the demands of the central authorities and whether the masses are satisfied with them.

3. The provincial CPC Committee and the provincial organs must draw up plans and measures for straightening out party style and establish responsibility systems. These must be implemented under supervision by the masses. The principal leaders must be held accountable in units that fail to make good their plans and that have not achieved a turn for the better in party style for a long time.

4. Get a good grasp of investigating and dealing with major criminal cases.

HUNAN'S MAO ZHIYONG ON MILITIA, RESERVE FORCE

HK160453 Changsha Hunan Provincial Service in Mandarin 1100 GMT 13 Jan 86

[Text] On 11 January, at an enlarged meeting of the provincial military district CPC Committee, Mao Zhiyong, secretary of the provincial CPC Committee and first political commissar of the provincial military district, delivered an important speech. He emphatically pointed out that militia and reserve service work can be neither weakened nor canceled, but must be vigorously strengthened.

In light of the wrong view harbored by some people who believe that the less militia and reserve service work the better, and that no militia and reserve service work is even better, Comrade Mao Zhiyong pointed out that the militia is an armed mass organization which is under the party's leadership and is not divorced from production. It is also an important component part of China's three-in-one Armed Forces. The militia played a very important role in revolutionary wars in China. Any wars in the future will likely differ from previous ones. But people's war will be the main type of war in China through which we can resist foreign aggressors and defend our motherland. The militia is the foundation for waging a people's war.

Comrade Mao Zhiyong also said that even with economic construction as our central task, militia work must not be weakened. Over the years, the 1.8 million militiamen in our province have been playing an exemplary and key role in building the two civilizations. In the future, party committees and governments at all levels must put militia work high on their agenda and do their utmost to upgrade militia and reserve service work to a new level.

GUIZHOU PEASANTS PROSPER IN DIVERSIFIED ECONOMY

OW161814 Beijing XINHUA in English 1617 GMT 16 Jan 86

[Text] Guiyang, January 16 (XINHUA) -- Guizhou Province's peasants can earn more through living off the mountains than through relying on grain production.

One official from the provincial government said here today that the average peasant in the southern province earned 296 yuan last year, compared with 224 yuan in 1983, despite serious storms, drought, plagues of insects and other natural disasters. This was because the province had begun to take advantage of its mountains to develop a diversified rural economy since 1984, instead of the practice of the previous 30 years of overemphasis on grain.

Mountains cover 87 percent of Guizhou's area of 170,000 square kilometers, and more than 70 percent of the province's 30 million population are peasants. Thanks to development of forestry, animal husbandry, cash crops, mining and rural enterprises, the province's total agricultural output value increased by four percent from 1984 to 1985, while grain output decreased by 20 percent because of natural disasters, the official said. He noted that the output value of Guizhou's animal husbandry totalled 1.25 billion yuan last year -- 13.2 percent more than the year before.

The province has rich resources of cash crops, such as tobacco, tea, Chinese herbal medicines, tung oil trees and fruit. These crops earned Guizhou 710 million yuan last year. This was 7.9 percent more than in 1984.

Guizhou also has more than 80 known mineral resources, such as coal, phosphorus, aluminium, mercury, manganese, antimony and rare earths. Verified coal reserves amount to more than 49 billion tons, more than any other southern Chinese province.

With government encouragement, the number of rural enterprises in the province has increased from 180,000 in 1984 to the present 250,000, many of which are engaged in mining. During the period, the number of people they employ has doubled to about a million. The output value of these enterprises totalled 1.64 billion yuan last year -- 26 percent more than in 1984. However, the official added that while diversification of the rural economy would continue, the province would not neglect grain farming.

SICHUAN'S YANG RUDAI AT SCIENCE, TECHNOLOGY MEETING

HK150530 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 13 Jan 86

[Text] At the second plenary meeting of the science and technology advisers group of our province, some 500 advisers actively offered advice. At the meeting, the advisers listened: to the report made by Governor Jiang Minkuan on our province's situation and on certain new and future scientific and technological problems; to the report made by a responsible person of the Provincial Planning and Economic Committee on the situation in carrying out the national economy plan; and to reports on, and explanations of, the situation in capital construction, education, science, technology, economic work, and resources made by responsible persons of the departments concerned at the provincial level.

The advisers stated that we must first have exposition and, as far as possible, proof before we make important policy decisions on economic and social development in our province. In formulating policy, we must further consider stability and comprehensiveness.

The advisers paid great attention to the problems of agriculture, and especially grain production. They also put forward views and suggestions on how to do well in education, how to make up for energy shortages, and how to take a correct view of social benefit.

At yesterday's closing ceremony, provincial CPC Committee Secretary Yang Rudai and Vice Governor Kang Zhenhuang spoke, hoping that the advisers would use their intelligence and wisdom to contribute toward the realization of the Seventh 5-Year Plan in our province.

XIZANG PROPAGANDA CHIEF DISCUSSES CURRENT TASKS

HK130537 Lhasa Xizang Regional Service in Mandarin 0100 GMT 13 Jan 86

[Excerpts] The Propaganda Department of the Xizang Regional CPC Committee held a meeting of leading cadres of propaganda system units on the afternoon of 11 January to exchange information and views and conduct in-depth study in going further in three respects [in negating the Cultural Revolution, in eliminating leftist ideological influence, and in correcting the ideological line]. Li Weilun, director of the department, gave important views on further conveying and implementing the spirit of the enlarged meeting of the regional CPC Committee Standing Committee. He gave the following seven views on this topic:

1. The propaganda system must take the lead in solving problems in going further in three respects and in correcting party style. This is determined by the nature, tasks, and responsibilities of the propaganda system.

2. It is necessary to take eliminating leftism as the point of breakthrough. At present we must focus on grasping two cardinal links: listing the expressions of leftism and finding out the causes of leftism.

3. We must simultaneously study and take action and translate study into action.

4. Conveying, studying, and implementing the spirit of the enlarged meeting of the regional CPC Committee Standing Committee must be done in conjunction with studying the speeches of Hu Yaobang and other leading comrades at the gathering of central organ cadres. In connection with the major review of party style, the region's propaganda units must take the lead in straightening out party style and set an example for the whole region with their lofty mental outlook and fine work style.

5. Seriously grasp the work of eliminating the vestiges of the Great Cultural Revolution. This is a serious political task. The leading comrades of each unit must attach great importance to this work, check on it personally, and pay attention to inspecting and supervising the work in their subordinate units. Through eliminating the vestiges of the Great Cultural Revolution, we must conduct education for the cadres and masses in totally negating the Great Cultural Revolution.

6. Strengthen leadership and implement in depth the work of conveying and implementing the spirit of the enlarged meeting of the regional CPC Committee Standing Committee. We must pay attention to grasping, analyzing, and solving problems of understanding among the cadres and masses. We must guide everyone's attention into creating a new situation. We must provide prompt guidance for certain muddled and one-sided ideas, and conduct appropriate ideological and political work to eliminate people's worries. This will help people to unite and work together to create a new situation.

7. On the basis of reviewing last year's work, we must make proper arrangements for this year's work.

NINGXIA'S INDUSTRIAL GROWTH SUSTAINED, COORDINATED

HK140939 Yinchuan NINGXIA RIBAO in Chinese 29 Dec 85 p 1

[Report: "Ningxia Has Achieved Sustained and Coordinated Development in Its Industrial Production During the Sixth 5-Year Plan"]

[Text] During the period of the Sixth 5-Year Plan, the departments responsible for industry, and various industrial enterprises in our region, have conscientiously carried out reform of industrial set-ups and product mix, and persisted in upholding the guiding principle of reform and opening up to the outside world. All this has speeded up technical reform and the technical progress of enterprises so that the industry of the whole region can get onto the right track of sustained, stable and coordinated development.

In 1984, the whole region overfulfilled the targets of total industrial output value set in the Sixth 5-Year Plan, 1 year ahead of schedule. Four years ago, the total industrial output value of the whole region increased on average by 6.1 percent every year. From January to November 1985, the total industrial output value of the whole region was 1.98703 billion yuan. This meant that the plan for the whole year was overfulfilled by 0.9 percent, 1 month ahead of schedule, which was 17.75 percent higher than the target set in Sixth 5-Year Plan. With regard to main products under examination during the Sixth 5-Year Plan, the production output of 24 types of product was overfulfilled 1 year ahead of schedule.

During the initial period of the Sixth 5-Year Plan, industrial production growth in our region dropped once. After carrying out readjustment of the inner structure of the industry in accordance with the needs of the society, our industrial set-ups gradually became rational. The main industrial proportions of the whole region began to change. The proportion of light industry in the total industrial output value increased from 26.06 percent in 1980 to 29.3 percent in 1984.

In recent years, our region opened its door wide, vigorously developing economic and technical cooperation with other provinces, municipalities and autonomous regions. It has taken active measures to import advanced technology and facilities from foreign countries to speed up the technical reform and progress of our industry, and to promote the development of industrial production. During the Sixth 5-Year Plan period, the whole region completed 85 technical reform projects. Total output value increased by more than 330 million yuan, and profit and tax delivery increased by 87 million yuan. During the past 5 years, we have made arrangements for the import of 59 technical items and facilities. By the end of this year, we can complete the work of importing 24 technical items. Some of these technical items have achieved marked economic results. We have also made tangible progress in the employment of new technology and the production of new products. Over the past 5 years, 508 kinds of new products have been manufactured on a trial basis, including numerical control machines; machine tools for processing centers; heavy-duty scraper conveyors; flax product series; monocrystals of lithium niobate; intermediate-frequency filters for television sets; testing machines for packing materials; heterochromous knitting wools for rod needles; purple-sand porcelains; camel hair wool; beer; Chinese wolfberry products; and so forth. They have filled in the gaps in our region's industrial production. In addition, we have popularized 12 kinds of new technology in industrial production, such as drying by distant infra-red radiation; composite mineralizers; refractory aluminum silicate fiber; using aluminum to replace silver in the production of mirrors, microprocessor controls, and others. We have achieved marked results in this regard.

Various localities, departments and enterprises have conscientiously implemented a guiding principle with the emphasis on enhancing economic results.

They have tapped the enterprises' potential, improved quality, reduced consumption, and constantly enhanced economic results. In 1984, the profits and tax delivery of industrial enterprises, as independent accounting units under ownership by the whole people, increased by 26.13 percent over 1980. According to budget, from January to November this year, the profits and tax delivery of state-operated industrial enterprises was 176.46 million yuan, an increase of 48 percent over the same period last year. Progress has been made in the manufacturing of excellent products. At present, there are seven kinds of products manufactured by our region which are regarded as excellent products of the whole country. There are 28 kinds of products regarded as excellent products by the ministries concerned, and 128 kinds of products regarded as excellent and high-quality products of the whole region.

QINGHAI MEETING STUDIES SPEECHES OF CENTRAL LEADERS

HK161005 Xining Qinghai Provincial Service in Mandarin 2330 GMT 13 Jan 86

[Text] On the morning of 13 January, Standing Committee members of the provincial CPC Committee studied the speeches given by central leading Comrades Hu Yaobang, Tian Jiyun and Wang Zhaoguo at the central organ cadres gathering. Comrade Yin Kesheng, secretary of the provincial CPC Committee, called for earnestly implementing the spirit of the speeches of the central leading comrades; for learning from central organs; for serving the people of the province; and for carrying forward the spirit of the foolish old man to create a new situation. At the study meeting of Standing Committee members of the provincial CPC Committee, Yin Kesheng and other comrades talked about their intial understanding after studying the speeches of Hu Yaobang and other central leading comrades. They stressed that the speeches of the central leading comrades are important directives for correcting party style and it is necessary to earnestly study them.

Comrade Yin Kesheng said that Comrade Yaobang stressed that it is necessary to carry forward the spirit of the foolish old man and to stress unity, firmness, and tenacity in struggle, during the Seventh 5-Year Plan period. We must study the speeches in connection with Qinghai's reality. The spirit and struggle mentioned in Hu's speech is aimed at current reality. Carrying forward the spirit of the foolish old man means that we must have a good mental attitude and must march forward steadily and firmly. The important thing for Qinghai is to lay down a good foundation, and it is particularly necessary to carry forward the spirit of the foolish old man so as to create a new situation every year. The unity of members of leading groups must have a new look. The work style of administrative organs must be changed into a new one. The work in all fields in the province must be upgraded to a new level.

The Standing Committee members attending the study meeting pointed out that administrative organs of the provincial CPC Committee and government must resolutely carry forward the four requirements put forth by Comrade Hu Yaobang -- raise efficiency, study hard, enforce discipline, and strengthen party spirit. They must resolutely and unceasingly deal with malpractices and cases in violation of law and discipline. While strengthening education, they must resolutely handle problems which must be handled. Provincial organs must set a good example to the whole province in correcting party style.

The participating comrades also said that first of all, it is necessary to correct the party style of leading comrades of the provincial CPC Committee and government.

DIPLOMATS CONFIRM PRC-U.S. NAVAL EXERCISE

HK170507 Hong Kong Commercial Radio in English 0430 GMT 17 Jan 86

[Text] China and the United States have held a joint exercise in the South China Sea near Hong Kong. Diplomats see the maneuver as a Chinese gesture to compensate for the cancellation last year of a visit by American warships to the country. We have this report from Helene Chung:

[Begin recording] Western diplomats confirm that several vessels from the U.S. 7th Fleet held a passing exercise with two Chinese ships from the East China Sea Fleet. For several hours on Sunday, the two Navies sailed together and flashed lights in the exercise in the Scuth China Sea.

The 7th Fleet was scheduled to make its first port call to Communist China last May, but the historic visit to Shanghai was abruptly canceled when Communist Party head Hu Yaobang told Australian and New Zealand correspondents that China would not accept nuclear-powered or nuclear-armed vessels. This conflicted with America's policy neither to confirm nor deny that its vessels carry nuclear weapons. The policy has caused a rift in the ANZUS alliance between the United States, Australia, and New Zealand.

Some observers believe the cancellation of the American ships' visit to China was due to misunderstanding; others believe China was trying to avoid offense to the Soviet Union by such a display of military cooperation. Helene Chung in Beijing for Commercial Radio News, Hong Kong. [end recording]

BACKGROUND OF XINJIANG STUDENT PETITION DISCUSSED

HK170703 Hong Kong MING PAO in Chinese 15 Jan 86 p 5

["Contributing Newsletter" by Tung Lin: "Background to a Petition"]

[Text] The petition presented in Beijing by the Uygur students of Xinjiang, which created a furor at home and abroad, has come to light. In fact, the petition was related to the one by Uygur students in Xinjiang.

The more than 200 Uygur students who presented the petition are students from four universities and colleges in Beijing and most of them are from the Central Institute for Nationalities. At 0800 on 22 December, the suddenly gathered at Tiananmen Square. Then they set out for the south gate of Zhongnanhai -- the Xinhua Gate -- carrying six large banners with slogans reading: "We want well-trained cadres of minority nationalities," "No nuclear tests in Xinjiang, "More development of education for minority nationalities," "Xinjiang should not be developed by criminals," and "Support to students' movement in Xinjiang."

In front of Xinhua Gate, the crowd of students dispersed on their own after presenting a petition including the aforementioned slogans to Jiang Ping, vice minister of the State Nationalities Affairs Commission.

On 12 December, 10 days earlier, a group of Uygur students had addressed a petition in Urumqi and other places in Xinjiang. The slogans they advocated were much the same as those raised by the Uygur students in Beijing. Referring to the slogan "We want well-trained cadres of minority nationalities," they actually meant that they wanted Ismail Amat, former chairman of the Xinjiang Autonomous Regional People's Government, who had recently been transferred to be minister of the State Nationalities Affairs Commission, to return to Xinjiang to take charge of work.

In October 1985, when the Xinjiang leading body was reorganized, Wang Enmao withdrew from the frontline because he was over 70, and became chairman of the regional Advisory Commission and the post of secretary of the regional CPC Committee was taken over by Song Hanliang. Meanwhile, Tomur Dawamat, a Uygur cadre, 58, replaced Ismail Amat as chairman of the regional people's government. Some Uygur people in Xinjiang, and particularly those in southern Xinjiang who have strong feelings of nationalism, were discontented with Tomur Dawamat, asserting that he was born in northern Xinjiang and could not represent the interests of the Uygur nationality because he has assimilated the Han nationality, and that Ismail Amat, born in southern Xinjiang, is the sole representative of the Uygur nationality. This is the very reason that brought on the street demonstrations by Uygur students in Xinjiang and Beijing.

All the students presenting the petition in front of Xinhua Gate came from Xinjiang to study in Beijing in the past year or so, and most of them are from Kashi in southern Xinjiang. After learning of the action taken by Uygur students in Xinjiang, they contacted neither Xinjiang students of other nationalities such as the Kazakhs, Tajiks, or Uzbeks, or other ideologically open Uygur students who can speak Chinese. They only consulted Uygur students who cannot speak Chinese on the petition issue.

The CPC departments concerned took a prudent attitude in dealing with the incident. All the questions raised by the students were explained by some departments concerned. It was said that responsible persons of the State Nationalities Affairs Commission, the National Defense, Science, Technology, and Industry Commission, the State Education Commission, the State Family Planning Commission, and the Ministry of Justice held a meeting with over 60 Uygur students in Beijing on 25 December to explain certain relevant questions.

Vice Minister of the State Nationalities Affairs Commission Ren Jie said that the State Council and leaders at various levels were willing to listen attentively to all the views of the students, either correct or incorrect.

An engineer working at a nuclear test base in Xinjiang said at the meeting: The base is located in a remote and uninhabited desert with a circumference of several hundred square kilometres. The radioactive pollution of all nuclear tests is strictly controlled to the lowest extent. According to the relevant data, so far no nuclear test conducted in Xinjiang has done any harm to the health of the people there or to other aspects.

Referring to the demand voiced by Uygur students that no criminals be sent from other parts of the country to Xinjiang for reform through labor, a responsible person of the Ministry of Justice said: Since the 1950's, the state has built dozens of reform-through-labor farms and factories in remote and sparsely inhabited districts in some areas of the country, including Xinjiang. He also said that efforts will be made to tighten surveillance to prevent escaped criminals from doing harm to the interests of the local people. Meanwhile, all criminals will be sent back to their ancestral homes after they are released upon completion of their sentences, thus avoiding trouble for the local people.

With regard to the execution of the family planning policy in Xinjiang, a responsible person of the State Family Planning Commission pointed out that this policy is applicable to cadres and residents of the Han nationality alone, and not to people of minority nationalities.

Vice Minister of the State Nationalities Affairs Commission Jiang Ping went to the Central Institute of Nationalities on 26 December to explain to the Uygur students why Ismail Amat was transferred to the State Nationalities Affairs Commission.

He said: It has been decided to appoint a cadre of the minority nationalities as the commission's minister. After the commission's former minister, Yang Jingren, left office, the state put Ismail Amat in this important position. With regard to the present chairman of the Xinjiang Autonomous Regional People's Government, he said, Tomur Dawamat is only 58 years old. He is still below the standard age set by the state for cadres at the provincial level. He studied at the Central Institute of Nationalities and the Central Party School. He is well-educated and has a high political consciousness. Meanwhile, he is quite familiar with the situation in Xinjiang for he has worked there for more than 20 years. Therefore, he is a desirable person for chairman of the regional people's government. Through repeated explanations given by the departments concerned, the Uygur students calmed down little by little.

15 MAJOR ECONOMIC SWINDLING CASES IN SHENZHEN

HK160745 Hong Kong TA KUNG PAO in Chinese 15 Jan 86 p 2

[Special Dispatch: "Fifteen Major Economic Swindling Cases Unearthed in Shenzhen Last Year"]

[Text] Shenzhen, 14 Jan (TA KUNG PAO) -- Our reporter has learned from the sources concerned that a total of 15 major economic swindling cases, involving more than 46.7 million yuan plus more than $11.3 million, were unearthed in Shenzhen last year. So far more than 15.5 million yuan and more than $6 million have been recovered, with more than 30 million yuan and more than $5 million still uncovered. Four of these swindling cases are related to Hong Kong businessmen, involving a value of more than 6 million yuan.

The departments in Shenzhen in charge of investigation into these cases have found that the causes for these cases were, in the main, the lack of experience and the eagerness for profit on the part of some enterprises and units which were capitalized on by scoundrels. Offering to supply cars, rolled steel, color television sets, and other commodities, the swindlers coaxed the victims to sign phony contracts and defrauded them of their money in the form of advance payments, deposits, or service charges.

Knowing little about business, responsible people and officials of some units were cheated as they hastily signed contracts with the swindlers without carefully verifying the background of the latter, such as their capital, credit, and source of goods. Tempted by lawless persons with benefits, bribes, and women, some responsible people gave the green light to unlawful activities. Some enterprises which had implemented the contract system also failed to practice a sound administrative and supervisory system over some contractors and thus gave bad people an opening.

One of the most serious cases is the case of Wang Yali. Wang, over 40 years old, came to Shenzhen from Guangzhou in June 1984. She signed an overall agreement with the Shangbu District Commerical and Trading Company, contracting for profits and costs of a perfume and cosmetics factory. By exaggerating the capital of her company, she applied for and obtained a business license for an individual household in the name of the Tianma Company. Then, she used benefits and her own body for bribes, and thus managed to get loans totaling U.S. $400,000, 1 million yuan, plus more than $10 million from three units.

After having sexual relations on many occasions with Wang Yali, a financial manager of the Shenzhen International Trust and Investment Company extended to her loans totaling $10 million plus 1 million yuan.

During the same period, Wang forged a business license and illegally engaged in the rabbit fur export trade, thus causing an oversupply valued at more than 6 million yuan. She also assumed a Hong Kong firm's name to borrow from the state to buy two villas and a factory building with an area of 2,600 square meters in Shenzhen. Meanwhile, she also illegally set up a private company in Hong Kong. Her case was uncovered in August last year, and the public security department has detained her for interrogation.

Among the 15 exposed swindling cases, 4 cases are related to Hong Kong businessmen. Early last year, an official of a certain company in Lowu District intended to buy rolled steel from a Hong Kong businessman. That businessman escaped back to Hong Kong as soon as he received the advance payment.

In May 1985, the Shenzhen Dongfang Trading Company signed a contract with the Hong Kong Han X Company on the purchase of Zebra brand pens. The contract involved more than $1 million. When the ordered goods were delivered to Shenzhen, it was found that all the cargo cases were filled with waste paper instead of pens.

Between June and July 1985, Xie X Zhang and five other Hong Kong residents signed a contract with Lowu District authorities for the management of Nanhu Shopping Center. Making use of the official seal of the company, they signed various types of contracts with more than 100 business firms, defrauded them of a total of 2.3 million yuan, and then escaped back to Hong Kong.

In December 1984, a certain company at Nantou, Shenzhen, brought from the Hong Kong X Zhou Company 200,000 sets of electronic computer components valued at U.S. $550,000 (equivalent to 2.75 million yuan). Inspection of these imported goods showed that 30 percent of them were rejects, with the rest being either the wrong shape or inferior. All the goods were simply useless. Of these 15 unearthed swindling cases, 12 involved state-run and collective-run units.

WEN WEI PO EDITORIAL HAILS LU PING VISIT

HK160835 Hong Kong WEN WEI PO in Chinese 15 Jan 86 p 2

[Editorial: "Helpful for Deepening the Discussion on the Basic Law — Commenting on the Visit by Lu Ping's Party to Hong Kong"]

[Text] As of now, the work group headed by Lu Ping, secretary general of the Hong Kong and Macao Office of the State Council and deputy secretary general of the Basic Law Committee, has been in Hong Kong for exactly 10 days. Looking back on the past 10 days, one thing is certain: Lu Ping's visit to Hong Kong has made important breakthroughs in widely gathering opinions of the personalities of various circles in Hong Kong.

Lu Ping's party comprises 12 people: 5 Basic Law Committee members, 4 staff members from the Ministry of Foreign Affairs and the Hong Kong and Macao Office Under the State Council, and the others are well-known Chinese experts specializing in international law, constitutional law, and other types of law, who are quite familiar with the constitutional system both in the East and in the West, thus being good at gathering and understanding the views of the local people. Lu Ping's party has adopted a deep and detailed work method. Apart from holding the necessary meetings attended by dozens of people, such as the forums attended by the Basic Law Committee members and the Basic Law Consultative Committee members, very often, they have tried to reduce the number of the people attending other meetings, and have had numerous group meetings and private conversations in order to gather more sincere views of the local people.

From what they have said and done during their 10-day stay in Hong Kong, we can see their sincerity in gathering the opinions of the Hong Kong people and their respect for the way the Hong Kong people do things. Before he left Beijing for Hong Kong, Lu Ping stressed that he would "only listen and not talk" during his visit to Hong Kong. However, since he arrived in Hong Kong, because of his own emotions and the persistent demands of the press, Lu Ping has always tried his best to answer people's questions and explain China'a policies towards Hong Kong during his interviews with local people. Except for the structure of the basic law itself and those questions whose answers have not been unanimously agreed, other questions, such as the main agenda of the Basic Law Committee meeting to be held in April, the work of the Secretariat of the Basic Law Committee, the progress of China's study of the Hong Kong laws and so on, have been introduced by Lu Ping in great detail. After every major activity, Lu Ping is interviewed by reporters and briefs them on the activity in person so as to enable the citizens to know about the work of the work group through the news media. The change from "only listening and not talking" to "listening and talking," and the attitude of obeying the will of the people and speaking frankly and sincerely should be advocated in the future.

The 10-day stay of Lu Ping's party is only one-third of its itinerary, but Lu Ping and other members of the party have achieved remarkable results in making the Hong Kong people show concern about the work of drafting the basic law and gathering the different views of the personalities of various circles in Hong Kong. Since the Sino-British joint declaration went into effect in the middle of last year, the Basic Law Committee and the Basic Law Consultative Committee have been established and work has been done. But these are only organizational preparations for the work of consulting the will of the prople of Hong Kong and the work of drafting the basic law of Hong Kong. The second meeting of the Basic Law Committee to be held in April this year will decide the structure of the basic law and establish full-time groups, all of which is only the beginning of the work of drafting the basic law. Just as personalities in both Beijing and Hong Kong have repeatedly pointed out: The Sino-British joint declaration has only set up a framework for the future Hong Kong. The basic law, whose drafting work will be participated in by the Hong Kong people, will be the blueprint of the Hong Kong Special Administrative Region to be established after 1997. We are pleased to see that Lu Ping's visit to Hong Kong has enabled some questions which have not been specifically stipulated in the joint declaration to gradually become the focal point of the concern of the personalities of various circles in Hong Kong. These questions include how the future Hong Kong legislative organ will be elected, through what kind of election and consultation the chief executive of Hong Kong will be elected, the relations between the executive and the legislative organs in the future, the relations between the central government and the government of the Hong Kong Special Administrative Region in the future, how to specifically implement the principles of "one country, two systems" and "Hong Kong people governing Hong Kong", and how to deal with the questions concerning extraterritoriality, such as the questions concerning merchant ships, civil aviation, patent rights, copyright law, and so on. And Hong Kong people's views on these questions have been reflected by the news media through various channels. We believe that with the continuation of the discussions on the above mentioned questions, the strengthening of the exchange of views between Beijing and Hong Kong and the pooling of the wisdom of the masses, the basic law will surely give satisfactory answers to the questions which have not been specifically stipulated in the joint declaration.

Lu Ping's party will stay in Hong Kong for 20 more days. It should continue to work hard to extensively contact personalities of various Hong Kong circles and listen to their opinions. The Hong Kong people should think carefully and actively reflect their views and make due contributions to the drafting of a perfect basic law.

LIU HUAQING ADDRESSES NAVY EQUIPMENT CONFERENCE

HK160147 Hong Kong MING PAO in Chinese 15 Jan 86 p 5

["Special Dispatch From Beijing": "The Navy Grasps Military Scientific Research, Modern Weapons"]

[Text] In order to keep in line with the strategic shift in Army-building guiding ideology, the Chinese Navy has decided to narrow the gap between its equipment and work advanced levels as quickly as possible. This was the main topic discussed at a Navy equipment and technology work conference held on the eve of the new year.

At the beginning of the conference, Liu Huaqing, commander of the Navy, delivered a speech on how to develop the building of Navy equipment at a time when Army-building has shifted to a period of peaceful construction.

Liu Huaqing said" One of the essential tasks of Navy modernization at present is to seize the opportune moment of the period of peaceful construction to make big headway in naval equipment. The most important thing in navy modernization is arms modernization. The key to arms modernization lies in military scientific research. Therefore, it is particularly necessary to strengthen demonstration work. Beginning with the Seventh 5-Year Plan, we must try to demonstrate a new generation of arms and make preparations for manufacturing in the Eighth 5-Year Plan so as to make considerable headway in the modernization of Navy equipment by the end of the 1990's.

In his speech, Liu Huaqing called on the scientific and technological research units of the Navy to rely firmly on the initiative and enthusiasm of the state industrial and scientific research departments, and at the same time stimulate their sense of responsibility and of being masters of their own affairs.

Deputy Commander Zhang Xusan delivered a speech, in which he pointed out: It is necessary to straighten out the relations among the following scientific and technological forces: the Navy equipment demonstration center, the troops for conducting experiments, the Army representative system, the military acadamies concerned, and the scientific and technological departments of the fleet and air unit. In addition, we must give full play to the role of each factor.

During the conference, Deputy Commander Li Meng made a speech to the delegates of the navy's air unit. He said: The equipment of the Navy's air unit should be brought into line with the Navy's unified management. The development of new models and transformation of the existing equipment should particularly be put under the management of the departments in charge of upgrading Navy equipment.

The Navy equipment and technology conference was the largest of its kind held since the founding of the Chinese Navy. Leading comrades of the National Defense Science, Technology, and Industry Commission and the PLA General Staff Headquarters attended the conference and made speeches.

According to another report, a new guided missile escort vessel undertaken by the Shanghai Hudong Shipyard was launched successfully on 28 December 1985. Representatives of the units concerned of the National Defense Science, Technology, and Industry Commission, the Navy, and the China Shipbuilding Company attended the launching ceremony.

This new guided missile escort vessel, designed and made by China, is one of China's most sophisticated naval vessels. It is also the first naval vessel manufactured after the implementation of the economic contract system.

CENTRAL GOVERNMENT TO INCREASE SUBSIDY TO XIZANG

HK160347 Hong Kong TA KUNG PAO in English 16-22 Jan 86 p 15

[Text] Government subsidies furnished by Beijing for the Tibet Autonomous Region reached RMB800 million last year. It will be increased at a rate of 10 percent annually until 1990. In the five years since 1980, total subsidies granted by the Central Government to the autonomous region amounted to RMB7,900 million.

This was disclosed by Mr Doje Cering, acting chairman of the People's Government of Tibet, at a cocktail reception opening the Tibet Exhibition and Symposium on Foreign Economic Relations and Trade on 14 January. The week-long exhibition is held at the Hong Kong Exhibition Centre.

On subsidies in foreign currency, Mr Anwang Gelie, director of Foreign Economic Relations and Trade Bureau of Tibet, said that the Government adopts special measure. It will grant US$8 million to the region annually and more if the need arises.

Referring to foreign exchange earnings, Anwang Gelie said Tibet earned over US$10 million last year. All forex earnings are kept in the region's coffers, he added.

He noted that foreign trade of Tibet has been developing rapidly. Its export grew 20 percent last year compared with that of the previous year. Tibet exported goods worth some US$2 million to Hong Kong last year while Hong Kong exported goods worth US$600,000 to the region.

Mr Anwang Gelie disclosed that discussions on some 20 joint-venture projects in Tibet are now underway. The projects involve in solar energy, leather processing, electricity, hotel constructions and tourism and related facilities.

Besides, Tibet plans to open chartered flight services from Lhasa to Hong Kong or Guangzhou. The region has been approved by the Central Government to have a regional airline during the Seventh Five-Year Plan, disclosed Mr Mao Rubai, director of the Council for the Promotion of Foreign Economic Relations and Trade of Tibet. Mr Mao said that the opening of the airline will boost the communications between the region and the southern provinces as well as its tourist industry.

At present, Tibet has opened several cities to tourists including Lhasa, Rikeze, Zedang, Dingri, Zhangmu and Pulan. It has 10 hotels with 1,700 beds and over 200 air-conditioned coaches, Mr Mao said. It is estimated that some 10,000 tourists visited Tibet last year. About 40 percent of the visitors entered Tibet via Nepal while others took the Chengdu-Lhasa air route. The number of tourists is expected to increase to 20,000 this year.

In a reference to Tibet's unique scenic spots, Mr Mao stressed the need to upgrade tourist facilities. A long-distant call service is expected to open in the first half of this year.

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China

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GENERAL

FOREIGN MINISTRY SPOKESMAN COMMENTS ON ISSUES

Deplores U.S.-S. Korea Excercises

OW181218 Beijing XINHUA in English 1208 GMT 18 Jan 86

[Text] Beijing, January 18 (XINHUA) -- Chinese Foreign Ministry spokesman today deplored an announcement of South Korea and the United States that they will continue to conduct joint military exercises in 1986.

The spokesman told XINHUA that China has always maintained that such large-scale military exercises can only ruin the atmosphere of the dialogue between the North and the South of Korea and aggrevate the tension on the Korean peninsula. He said: "At the time when some progress is being made in the multi-channel talks between the North and the South of Korea, especially after the Government of the Democratic People's Republic of Korea recently took the initiative and announced a halt of the military excercises starting from Feb 1, the decision by the United States and South Korea to conduct such large-scale joint military exercises cannot but be deplorable."

Soviet Arms Proposal

OW180834 Beijing XINHUA in English 0824 GMT 18 Jan 86

[Text] Beijing, January 18 (XINHUA) — A Chinese Foreign Ministry spokesman told reporters at a news briefing here today that the Soviet Union's latest disarmament proposal "has some new contents." He said that the proposal, put forward by Soviet leader Mikhail Gorbachev, on the eve of the fourth round of the Soviet-U.S. disarmament talks in Geneva, "has some new contents, but we still need to study it further. At present, the Soviet and U.S. positions on some important issues of disarmament are still far apart. We hope that the Soviet Union and the United States will negotiate in earnest so that progress can be made". He continued: "With regard to Asia's security, we believe that the key lies in the superpowers abandoning their rivalry for hegemony in this region, reducing their missiles and nuclear weapons, and eliminating the hotspots of Kampuchea and Afghanistan."

RENMIN RIBAO EXAMINES U.S.-LIBYA CONFRONTATION

HK180840 Beijing RENMIN RIBAO in Chinese 17 Jan 86 p 6

[Roundup by Mu Ni: "Storm in the Mediterranean, the Focus of World Attention -- the Recent Tense Confrontation in U.S.-Libyan Relations"]

[Text] Tense confrontation has developed in U.S.-Libyan relations as a result of the terrorist incidents at Rome and Vienna airports. For a time the two sides were at daggers drawn, when a U.S. aircraft carrier task force assembled in the Mediterranean awaiting orders, while Libyan naval and air forces and civil defense units were placed on full alert. The United States then instituted economic sanctions against Libya. Another air interception incident recently occurred between U.S. and Libyan Air Forces over the Mediterranean, and the situation remains tense.

The cause of this was the simultaneous attacks on the Rome and Vienna airports at the end of last year. The United States and Israel accused Libya of supporting this terrorist action and threatened to take retaliatory military action against that country. The U.S. Joint Chiefs of Staff provided President Reagan with a choice of plans, including air attacks on Libya. The U.S. military claimed it was prepared for retaliatory strikes against Libya. At the same time, Israeli aircraft penetrated the air space of Lebanon, and North and South Yemen on reconnaisance missions to spy out targets for attack.

A sudden storm arose over the Mediterranean and the situation became tense. The whole world expressed concern.

The terrorist incidents at the Rome and Vienna airports caused a huge shock in the international community and were universally condemned by world opinion. And the action of the United States and Israel of threatening armed action and posing military threats against a sovereign Arab state under the pretext of opposing terrorism was also opposed by the great majority of countries. While denying that it was involved in the attacks on the airports, Libya carried out emergency mobilization and stood in combat readiness. The Libyan leader, Al-Qadhdhafi, announced that any U.S. or Israeli attack on Libya would mean the outbreak of war in the Middle East and the Mediterranean.

In this situation, President Reagan announced on the evening of 7 January that comprehensive economic sanctions would be imposed against Libya, and the next day he signed an order freezing Libyan assets in the United States. He also vigorously urged Western Europe and Japan to act together to take diplomatic and economic sanctions against Libya.

America's military threats and economic sanctions against Libya caused serious disquiet and strong opposition among the Arab countries. Many of them, while universally opposing terrorism, are resolutely opposed to U.S. and Israeli incursions on any Arab states. Syria, Iran, and Democratic Yemen resolutely support Libya in taking all measures to counter a U.S. and Israeli attack. Despite their disputes with Libya, Egypt and the PLO have expressed support for Libya in defending itself against external aggression. The Arab League Council called a special meeting which, while condemning all terrorist activities, supported the defense of Libya against possible U.S. and Israeli attack. The conference of foreign ministers of the Islamic Conference Organization also declared it was taking Libya's side in opposing U.S. and Israeli military provocations.

The countries of Western Europe strongly oppose terrorism. However, taking their own interests into account, none of them has agreed to military action against Libya, and all of them doubt the effectiveness of economic sanctions. They are also worried over a further heightening of tension in the Mediterranean. Although the United Kingdom long ago broke off diplomatic relations with Libya, it is opposed to taking sanctions against that country. British Prime Minister Thatcher told American newsmen that "if someone ignores the boundaries of another state, I think that is creating still greater trouble." She held that "legal measures should be applied" to counter lawless terrorism. West Germany, Greece, and France have also opposed sanctions. Italy only decided to ban the export of arms to Libya. The Canadian Government stated it would no longer provide assistance to companies doing business with Libya.

There have also been different views within the U.S. Government over how to deal with terrorist incidents and on whether or not to take military action against Libya. Some U.S. officials have become aware that certain recent U.S. moves, far from helping to curb terrorism, have in fact resulted in the extreme isolation of the United States. U.S. Defense Secretary Weinberger recently stated that "we should not use terrorist methods against terrorism."

World opinion also holds that unless the Palestine problem, the core issue in the Middle East, is solved, turmoil in the Middle East and the Mediterranean area is bound to intensify. An editorial in the Egyptian newspaper AL-JUMHURIYAH pointed out that "international opinion does not agree with U.S. actions. The way to completely eradicate terrorism should be to reach a just and comprehensive settlement of the Palestine problem, otherwise, current U.S. moves can only lead to still more terrorist activities." The Saudi Arabian paper AL-YAWM bluntly stated that the United States is appealing for opposition to terrorist activities "while supporting Israeli aggression against the Palestinian people, thus encouraging terrorist activities."

Italian Foreign Minister Andreotti recently said when receiving a RENMIN RIBAO reporter that "the explosions that recently occurred at Rome airport were related to the Palestinian problem. To truly solve this problem, the Palestinian people should be given their own soil and motherland." Even a former U.S. ambassador to Syria said that "if the Palestine problem is solved," "this will greatly reduce terrorist activities." It should be particularly pointed out that people have seen the shadow of superpower confrontation in the recent Mediterranean tension. Soviet deployment of SAM-5 long-range antiaircraft missiles in Libya has been regarded by the United States as a challenge to its regional interests. According to the Western press, the reason the United States regards Libya as a nail in the eye is connected to the close ties between that country and the Soviet Union; and the Soviet Union has warned the United States that "the Mediterranean area is far from being no concern of the Soviet Union." At the same time the two sides are stepping up the boosting of their military strength in the Mediterranean.

The tense confrontation between the United States and Libya has not yet eased. People should be alert to how the situation develops.

CONCLUSION OF ABE-SHEVARDNADZE TOKYO TALKS

Abe on Communique

OW170908 Beijing XINHUA in English 0854 GMT 17 Jan 86

[Text] Tokyo, January 17 (XINHUA) -- Issuing a joint communique on the Japan-Soviet foreign ministerial talks stands a "50 percent chance," Japanese Foreign Minister Shintaro Abe said at a press conference this morning. Abe said the territorial problem stands as the only issue to be worked out in his meetings with Soviet Foreign Minister Eduard Shevardnadze. "Japan has its own position over the territorial issue, and of course the Soviets also have theirs," Abe said.

The issue, which involves some northern Japanese islands occupied by the Soviet Union in 1945, dominated yesterday's third round of talks. Abe said the Soviet side refused to change its position that no such issue exists, meaning return of the islands is out of the question. Japan would like to include the issue into any communique, Abe stressed. Abe said senior officials of both sides are working on the contents of the communique and that he might meet with Shevardnadze again today in a bid to iron out differences. He said he had briefed Prime Minister Yasuhiro Nakasone on the talks, and Nakasone approved his stand in the talks.

The foreign minister observed that the 10-hour talks in the last two days were marked by "a totally new style" on the Soviet side, adding that they were conducted in an atmosphere "quite unlike the (Japan-Soviet) meeting in the past." Despite the islands disagreement, Abe said his impression was that Moscow wants to improve its relations with Tokyo and make a "a new start" in this respect.

Extra Session Held

OW171550 Beijing XINHUA in English 1430 GMT 17 Jan 86

[Text] Tokyo January 17 (XINHUA) -- Visiting Soviet Foreign Minister Eduard Shevardnadze and his Japanese counterpart Shintaro Abe held an unscheduled meeting today to pave the way for a mutually acceptable joint communique. A Japanese Foreign Ministry source said the meeting was focused on "the fundamental issue," a term used to refer to the nagging territorial dispute that has been standing in the way of improving Japan-Soviet relations. The topic came up at the two ministers' third talks yesterday during which Shevardnadze and Abe agreed to issue a joint communique.

Abe said at a press conference this morning that Japan is seeking a communique that mentions the 41-year-old Soviet occupation of the four Japanese northern islands. His government would like to include the issue into any communique if there is one, he said. Meanwhile, Foreign Ministry officials are expecting a Soviet return to the 1973 Japan-Soviet joint communique that categorically labelled the territorial issue "problem unresolved since World War II."

The 57-year-old Shevardnadze, the first Soviet foreign minister to visit Tokyo in a decade, is scheduled to attend a performance of a traditional Japanese Kabuki play this evening.

Joint Communique Issued

OW190938 Beijing XINHUA in English 0930 GMT 19 Jan 86

[Text] Tokyo, January 19 (XINHUA) -- Japan and the Soviet Union have agreed to resume peace treaty negotiations which had been suspended for over a decade because of a territorial dispute.

The agreement was announced in a joint communique issued simultaneously in Tokyo and Moscow today after three days of Japanese-Soviet foreign ministerial talks here. The communique stated that the two foreign ministers conducted the negotiations on the basis of the 1973 joint communique between the two countries. Abe and Sheverdnadze agreed to continue the peace treaty talks when the Japanese foreign minister visits Moscow later this year.

The 1973 joint communique stated "to conclude a peace treaty by resolving the yet unresolved problems remaining since World War II would contribute to the establishment of truly good-neighborly relations between the two countries". Although this communique did not refer to the territorial issue directly, the Japanese side pointed out that "the unresolved problems" include this issue. It is believed that the wording of today's communique is a result of compromises made by both sides.

Abe Views Talks

OW191940 Beijing XINHUA in English 1901 GMT 19 Jan 86

[Text] Tokyo, January 19 (XINHUA) -- The resumption of the peace treaty negotiations by Japan and the Soviet Union on problems including the territory issues and their agreement to continue these negotiations is an important first step in furthering the bilateral relations, Japanese Foreign Minister Shintaro Abe said here today. Abe made the remarks at a press conference following the publication of a joint communique at the end of his talks with Soviet Foreign Minister Shevardnadze.

Abe stressed that with the joint communique as a starting point, Japan is determined to patiently negotiate with the Soviet Union on the return of the northern territories. However, Abe noted that the Soviet Union cannot be considered as having made any progress on the territorial issue, adding that he would visit Moscow "at the earliest possible date" later this year to continue discussing the marathon dispute over the four Japanese northern islands occupied by the Soviet Union in 1945. Abe attached great importance to the resumption of regular foreign ministerial talks after an eight-year suspension and the future exchange of visits by the heads of the two countries.

Referring to the fishery talks and the problem concerning Japanese families' visits to their ancestor's graves on the four northern islands, Abe said that the Soviet foreign minister "reacted flexibly on a realistic and businesslike position." He appreciated the attitude, he added.

Shevardnadze, who had stayed in Japan for five days, left here this afternoon for a visit to Pyongyang.

Trade Agreement Signed

OW181624 Beijing XINHUA in English 1439 GMT 18 Jan 86

[Text] Tokyo, January 18 (XINHUA) -- Foreign ministers of Japan and the Soviet Union signed a trade and tax agreement and extended a cultural pact Saturday afternoon to mark the first substantial results of the highest-level contacts between the two countries in eight years. The five-year agreement starting 1986 sets regulations for taxation of trade activities and specifies the annual bilateral trade talks including discussions of development of Siberia and other areas of economic cooperation. The agreement also includes provisions to avoid double taxation of each other's produce.

Japanese Foreign Minister Shintaro Abe and his Soviet counterpart Eduard Shevardnadze exchanged documents on trade between coastal cities of Japan and the Soviet Union. The two ministers renewed the Soviet-Japanese cultural exchange pact which was originally signed January 27, 1972 and has since been extended every two years. The renewed pact, to be effective until January 26, 1988, will envisage a limited exchange of government publications and scholars and the organizing of film festivals in each country.

The two countries have been interested in expanding bilateral cultural ties by replacing the cultural exchange pact with a full-scale agreement, but have so far failed to iron out their differences. Japan is asking for a correction of the "imbalance" in distribution of government publications, greater freedom of its press in the Soviet Union and Soviet approval to set up a Japanese cultural center in Moscow. The Soviet foreign minister said, however, that he expects the signing of a cultural agreement to take place when his Japanese counterpart is in Moscow on a return visit later this year.

Shevardnadze is scheduled to leave tomorrow after a five-day visit to Japan, the first in 10 years by a Soviet foreign minister. The two countries are expected to issue a joint communique believed to mention the much disputed territorial issue, an obstacle that has long stood in the way of improving the two countries' cold relations since World War II.

Leaders To Exchange Visits

OW181224 Beijing XINHUA in English 1125 GMT 18 Jan 86

[Text] Tokyo, January 18 (XINHUA) -- Japanese prime Minister Yasuhiro Nakasone agreed to exchange visits with Soviet leader Mikhail Gorbachev when he met Soviet Foreign Minister Eduard Shevardnadze here this morning, a Japanese Foreign Ministry official told reporters today.

During the 90-minutes meeting, the official said, Shevardnadze handed to Nakasone a letter from Gorbachev, inviting Nakasone to visit Moscow at his earliest convenience. The Japanese prime minister expressed his appreciation of the invitation and extended his invitation to Gorbachev to visit Tokyo in return, saying "it is your turn now" since his predecessor Kakuei Tanaka made an official visit to Moscow in 1973. Nakasone expressed his hope that Gorbachev will come to Japan first.

The official said that the Soviet foreign minister spent much time in explaining Soviet policy concerning Japan, Gorbachev's latest three-stage disarmament proposal and the Soviet proposal on convening an Asian security conference. Shevardnadze told Nakasone that the Japan-Soviet foreign ministerial talks were "constructive and with mutual respect," and so will be the joint communique on the talks.

The communique will form the basis for the future relations between the two nations, he added. Nakasone praised Shevardnadze's visit as "having materialized the Soviet resolve to further promote Japan-Soviet relations." Referring to Gorbachev's disarmament initiatives including the three-stage proposal, Nakasone said that one of the main problems lies in the verification of agreements. Nakasone also expressed Japan's concern about the Soviet military buildup in the Far East and the northern territories, meaning four Japanese islands occupied by the Soviet Union since 1945. He reiterated Japan's intention to conclude a peace treaty with the Soviet Union after regaining control over the islands. Nakasone hoped that negotiations on the peace treaty will continue on the basis of the 1973 joint communique, which called for concluding a peace treaty by "resolving the problems remaining unresolved since World War II."

Peace Treaty Talks To Resume

OW191930 Beijing XINHUA in English 1844 GMT 19 Jan 86

[Text] Tokyo, January 19 (XINHUA) — Japan and the Soviet Union agreed Sunday to resume the peace treaty negotiations suspended eight years ago. This was announced in a joint communique issued at the end of the five-day visit to Japan by Soviet Foreign Minister Eduard Shevardnadze.

The communique, which has been expected to cover the much disputed territorial issue as a Soviet compromise, made only the vaguest reference to the 41-year-old Soviet occupation of Japan's four northern islands. "The two ministers held negotiations concerning the conclusion of a Japan-Soviet peace treaty, including various problems which might constitute the content of the said treaty, on the basis of the agreement decided upon in the Japan-Soviet joint statement of October 10, 1973," said a key paragraph of the communique.

Japan has repeatedly voiced its claims to the four northern islands seized by Soviet troops at the end of World War II and has described the territorial issue as a major obstacle in the way of improving Soviet-Japanese relations. Yet, the two sides apparently have different interpretations of the paragraph mentioned in the joint communique even before Shevardnadze wound up his visit. Shevardnadze said at a press conference this morning that his country has not changed its policy on the northern territory. Japanese Foreign Ministry officials, however, insisted while briefing reporters this afternoon that the joint communique has included the territorial issue.

The two ministers agreed that the top leaders of the two countries should exchange visits, but they set no time-table for the planned visits by either General Secretary Mikhail Gorbachev or Prime Minister Yasuhiro Nakasone. According to the communique, the two ministers decided that the annual trade consultations between Moscow and Tokyo should be upgraded to the deputy ministerial level and agreed to meet at least once a year for regular consultations. On grave visits to the Soviet-held northern territories, the Soviet side said that the problem "would be studied with all due attention from the humanitarian standpoint." Moscow has so far refused the Japanese request to allow former Japanese dwellers on the islands to visit the graves of their relatives there. The two ministers failed to mention the proposal to hold an Asian security conference, masterminded by Soviet leader Gorbachev but sneered at by Tokyo. Meanwhile, observers here believed that the three-day talks between the two diplomatic chiefs have achieved some results and slightly improved bilateral relations will soon be in sight.

With its yielding manner to allow the statement to touch indirectly the territorial dispute, the Soviets have gained Japanese concessions on economic, scientific and technological cooperation, they said. However, they added that the knotty problem, the territorial issue, remains unresolved and a solution cannot be expected in the immediate future.

Shevardnadze Press Conference

OW190848 Beijing XINHUA in English 0829 GMT 19 Jan 86

[Text] Tokyo, January 19 (XINHUA) — Soviet Foreign Minister Eduard Shevardnadze today stressed that the Soviet Union's position on its territorial dispute with Japan has not changed after consultation with Japanese Foreign Minister Shintaro Abe. He told a press conference at the Japan Press Club that during his three days of talks here with Abe there had been heated exchanges over the four islands. "The Soviet position on this has not changed from the past", Shevardnadze said. For years Moscow has insisted that the islands issue is closed.

Just before Shevardnadze's Tokyo visit, Moscow reiterated once again that the controversy over the territory has been resolved. However, a concession was later made by the Soviet Union and the question of the islands was discussed in detail in the third round of talks between the two foreign ministers. During their discussion, both of them stuck to their country's original position. The Japanese foreign minister asked the Soviet side to hand back the four islands, whereas Shevardnadze argued that for the status quo. "You must stand on the present real foundation, if you really wish to improve Soviet-Japan relations," the Soviet minister stressed. He reiterated the Soviet's basic stance of setting aside the territorial issue and concentrating on economic and cultural matters in an attempt to improve Soviet-Japan relations. Commenting on the discussions, Shevardnadze said "both sides have won points and only those who would like to make the Soviet-Japan relations complicated have not won points." He is satisfied with the results of his Japan visit, he added. Shevardnadze also said that Soviet leader Mikhail Gorbachev is hoping for an exchange of summit visits to improve bilateral relations. The foreign minister said that in the letter he brought to Japanese Prime Minister Yasuhiro Nakasone from Gorbachev, the Soviet leader expressed his country's determination to continue top-level political dialogue.

Nakasone on Talks

OW201801 Beijing XINHUA in English 1433 GMT 20 Jan 86

[Text] Tokyo, January 20 (XINHUA) — Japanese Prime Minister Yasuhiro Nakasone today termed the results of the Japanese-Soviet foreign ministerial talks as "a step forward in the stalled territorial issue." Nakasone was referring to the talks between his Foreign Minister Shintaro Abe and Soviet Foreign Minister Eduard Shevardnadze who had just concluded his 5-day visit to Japan yesterday. He said this while addressing a meeting of industrial and labor leaders here. The territorial issue refers to four Soviet-occupied northern islands just off Japan's Hokkaido. Earlier today, Nakasone told reporters he was satisfied with the joint ministerial communique issued yesterday.

On the outcome of the "G-5" meeting, Nakasone said the agreement reached at the meeting on cooperating closely over interest policy "is a desirable thing." The "G-5" meeting refers to the recent London gathering of the finance ministers and central bankers of Japan, the United States, Britain, France, and Federal Germany. Nakasone, an advocate of a concerted interest rate cut, noted that the meeting had recognized that lower interest rates would help relax worldwide inflationary pressure and contribute to price stability. He said Japan will continue to call for concerted action to lower official discount rates.

TACTICAL NUCLEAR ARMS IN EUROPE TO BE UPDATED

OW180750 Beijing XINHUA in English 0630 GMT 18 Jan 86

[Text] Washington, January 17 (XINHUA) -- Today's WASHINGTON POST says the United States has begun to reduce its stockpile of tactical nuclear arms in Europe as a step of updating its tactical arms system there. According to the paper, the United States began rapidly reducing its older, short-range, tactical nuclear weapons stockpiled in NATO countries two years after an agreement was reached between Washington and its allies. The POST cites Defense Department officials as saying that the existing stockpile of older nuclear bombs, artillery shells, missile warheads and nuclear land mines would drop from 7,000 to 4,550 within a year.

The reductions are being made under a plan drawn up by Gen. Bernard W. Rogers, supreme commander of North Atlantic Treaty Organization (NATO) forces, the POST says. "The Rogers plan also calls for introduction in Europe of modernized U.S. nuclear systems," says the POST report. "For example," it continues, the plan "calls for lower numbers but new versions of nuclear artillery shells."

A congressional source revealed that more than 100 such shells were produced last year, says the report. However, "the number of U.S. tactical nuclear weapons in Europe may drop even further in the future," the report says, "because of a congressionally mandated limit on the number of new U.S. nuclear artillery shells that can be built." "Some top Army officials believed that within five years new high-tech conventional weapons with accuracy and high yields may replace almost all battlefield nuclear systems," says the WASHINGTON POST report.

COMMERCE DEPARTMENT ON PRC-U.S. TRADE

OW172054 Beijing XINHUA in English 2008 GMT 17 Jan 86

[Text] New York, January 17 (XINHUA) -- The U.S. Commerce Department predicted that two-way trade between China and the United States would increase by 15 percent this year, on top of the record 7.9 billion dollars reached in 1985. THE WALL STREET JOURNAL said today that technology deals and equity joint ventures would be hot items on the growing trade as China needs advanced capital goods and technology in its modernization drive. "The drop in the dollar should make us more competitive. Our strength is going to continue to be in those areas we saw last year, predominantly machinery, transport equipment, scientific instruments, and office and computing equipment," Jeffrey Lee, economist at the International Trade Association of the Commerce Department, told the JOURNAL.

The Commerce Department estimated that for the whole of past year, American export would total 3.7 billion dollars, up 23.3 percent over the preceding year, while imports would come to 4.2 billion dollars, an increase of 24 percent. From January through November last year, U.S.-China trade stood at 7.3 billion dollars. Items in high demand on the Chinese shopping list included power generation equipment, computers and industrial machinery. Wheat export from the United States, dropped by 83 percent to a little over 90 million dollars. This indicated China's self-sufficiency in grain supplies, the paper said.

DPRK REACTS TO U.S.-KOREAN MILITARY EXERCISES

OW181920 Beijing XINHUA in English 1844 GMT 18 Jan 86

[Text] Pyongyang, January 18 (XINHUA) -- The United States and South Korea today announced a massive joint military exercises to be held in February in total disregard of a proposal put forth by Pyongyang that both sides of Korea should stop major military exercises.

In a telephone message to the U.S. side senior member of the Korean-Chinese side of the Korean Military Armistice Commission Yi Tae-ho denounced the U.S. decision as a challenge to the Korean people and all peace-loving peoples in the world. It will create obstacles to the North-South dialogue and worsen the tense situation on the Korean peninsula, he said. Yi urged the United States to cancel immediately the planned exercises, or it will be responsible for all the results aroused from the exercises. The United States and South Korea announced today that the exercises, code-named "Team Spirit '86" will be held from February 10 to late April. A spokeaman fot the U.S.-led command told a press conference that the exercises will involve 200,000 U.S. and South Korean troops. The Korean CENTRAL NEWS AGENCY said that the U.S. aircraft carrier Midway left port Yokosuka, Japan, today to participate in the coming exercises.

Last February, the United States and South Korea held exercises in South Korea on the similar scale, leading to a suspension of the North-South talks for several months. The sixth round of economic talks between the North and the South is due to be held in Panmonjum on January 22. The announcement of the U.S.-South Korea wargame, said the KCNA, has cast shadows over the talks, and intensified the tense situation on the Korean peninsula. On January 11, the Korean Government declared that it will stop, as of February 1, all large scale military exercises during the North-South talks. The statement also called on the United States and South Korean authorities to do the same. It was reported that the Korean-Chinese side of the Korean Military Armistice Commission has proposed to hold the 433rd meeting to discuss the issue of the planned military exercises.

Talks Suspended

OW201200 Beijing XINHUA in English 1154 GMT 20 Jan 86

[Text] Pyongyang, January 20 (XINHUA) -- The joint military exercises planned by the U.S. and South Korean authorities are aimed at attacking the North and are a "frontal challenge" to all Korean people, three delegations of the North for the North-South talks said in a joint statement today. The Red-Cross, economic and parliamentary delegations said in the statement that the wargames involving 200,000 U.S. and South Korean troops to be held February 10 demonstrate that Washington and Seoul are not genuinely interested in a North-South dialogue for reunification of the Korean peninsula. It charged that the calls for "dialogue" and "detente" by the U.S. and South Korean authorities were hoaxes and announced a suspension of Red Cross, economic and parliamentary talks between the North and the South.

The U.S.-South Korean wargames will add to tension in the peninsula, the statement said. Washington and Seoul are responsible for the suspension of the North-South dialogue, the statement said and they should apologize to all the people of Korea and the world for their unjustifiable acts.

After reviewing the efforts made by the North side to promote the dialogue, the statement said that there was no change in the Pyongyang's stand on improvement of relations between the North and the South through dialogue and consultation. Noting that the dialogue had a good beginning and a bright prospect, the statement said the North will continue to promote the dialogue.

KIM IL-SONG URGES U.S. TROOP WITHDRAWAL

OW180836 Beijing XINHUA in English 0752 GMT 18 Jan 86

[Text] Pyongyang, January 18 (XINHUA) -- President Kim Il-song of the Democratic People's Republic of Korea yesterday called for the withdrawal of U.S. troops from and the realization of a stable peace on the Korean peninsula. He made the statement yesterday while receiving delegates of the Executive Committee of the International Union of Students who met here from January 14 to 16. He stated that the Korean students will struggle for the withdrawal of U.S. troops and nuclear arms from South Korea.

On the world situation, Kim Il-song said the danger of a new war is increasing due to the imperialists' acts of aggression and war. He also appealed to the students of the whole world to fight to smash military expansion, achieve disarmament and set up non-nuclear and peace zones. The meeting of the Executive Committee of the International Union of Students was attended by more than 100 delegates from 46 countries.

SOVIET FOREIGN MINISTER ARRIVES IN DPRK

OW191252 Beijing XINHUA in English 1244 GMT 19 Jan 86

[Text] Pyongyang, January 19 (XINHUA) -- Soviet Foreign Minister Eduard Shevardnadze arrived here Sunday afternoon for a 4-day official visit to the Democratic People's Republic of Korea (DPRK). It was announced here that Shevardnadze came at the invitation of the Korean Workers' Party Central Committee and the Government of the DPRK.

The foreign minister was greeted at Pyongyang airport by Vice President Pak Song-chol, Foreign Minister Kim Yong-nam and other ranking Korean Government officials. The agenda of the Soviet foreign minister, the first ever to visit the DPRK, was not immediately available. To welcome the Soviet guest, the country's leading newspaper, NONDONG SINMUN, said in an article that his visit "is of weighty importance in strengthening the daily developing traditional friendship, solidarity and cooperation between the parties, governments and peoples of Korea and the Soviet Union."

Pyongyang is Shevardnadze's second stop after Tokyo, where the Soviet diplomatic chief spent five days on a visit to Japan, the first by a Soviet foreign minister in a decade. Mr. Shevardnadze is due to visit the People's Republic of Mongolia on his way back to Moscow, the third stop in the foreign minister's three-nation trip to Asia.

Talks With Kim Yong-nam

OW201842 Beijing XINHUA in English 1831 GMT 20 Jan 86

[Text] Pyongyang, January 20 (XINHUA) -- Visiting Soviet Foreign Minister Eduard Shevardnadze and his Korean counterpart Kim Yong-nam met here Monday for a round of official talks. According to Korean Central Television, the two ministers met in "a comradely and cordial atmosphere," and had "completely identical views" on all issues discussed. However, the content of the two ministers' discussion was not immediately available.

Shevardnadze arrived here Sunday for a four-day official visit to Korea, the first ever by a Soviet foreign minister. He is scheduled to visit the People's Republic of Mongolia on his way back to Moscow, the last stop of the minister's three-nation trip to Asia which also brought him to Tokyo.

N. KOREA DENOUNCES CHON TU-HWAN STATEMENT

OW181150 Beijing XINHUA in English 1120 GMT 18 Jan 86

[Text] Pyongyang, January 18 (XINHUA) -- Korea's leading newspaper NODONG SINMUN today denounced South Korean "President" Chon Tu-hwan's new year policy statement issued January 16 as a deceptive attempt to camouflage himself as a person cherishing reunification, peace and democracy.

The newspaper noted in a commentary that there was nothing new in Chon's statement. The newspaper wrote that Chon made no mention of achieving reunification through dialogue and how the North-South dialogue could be advanced. It demonstrated that the South Korean authorities wanted to delay settlement of the problem and keep the status quo in the Korean peninsula, the newspaper said.

It accused Chon Tu-hwan of continuing to expand and modernize South Korea's military forces. Enhancing the military forces contradicts the dialogue and the efforts for reunification, the newspaper pointed out.

KIM IL-SONG MEETS JAPANESE LEGISLATOR

OW181619 Beijing XINHUA in English 1431 GMT 18 Jan 86

[Text] Pyongyang, January 18 (XINHUA) -- Korean President Kim Il-song yesterday received Yoichi Tani, member of the Japanese House of Representatives from the Liberal-Democratic Party and acting chairman of the Dietmen's League for the Promotion of Japan-Korea Friendship. On hand were Ho Tam, member of the Korean Workers (Communist) Party Politburo, and Kim U-chong, chairman of the Friendship Association for Promotion of Korea-Japan Amity.

Foreign reports said earlier that during his Korea visit, Tani would discuss with Korean leaders increasing exchanges between the peoples of Japan and Korea, sending a Japanese economic mission to Korea and stationing trade representatives in the two countries. According to press reports here, President Kim's meeting with Tani was held in a "friendly atmosphere". On January 16, Ho Tam met here with Tani. The reports did not say what they discussed during the two meetings. Tani and his party left for Japan yesterday.

BEIJING PROGRAM ON CAMBODIAN PROBLEM, PART 3

OW162254 Beijing Domestic Service in Mandarin 1150 GMT 9 Jan 86

[Third of four-part talk from the "International Current Events" program: "Diplomatic Struggle Around the Cambodian Issue"]

[Text] How did the Cambodian issue come into being? It is a result of the armed aggression of Vietnam. This is a universally acknowledged fact. The Vietnamese first refused to acknowledge the existence of the Cambodian issue. Later they changed their tune but tried their hardest to distort and cover up the essential points of the Cambodian issue in an attempt to justify their acts of aggression. What are the essential points of the Cambodian issue? First, Vietnam, in its attempt to piece together the Indochinese federation, openly launched a large-scale armed aggression against Cambodia and subsequently set up the Heng Samrin puppet regime. This was a brutal act of trampling on the independence and sovereignty of Cambodia and an act of naked aggression; it violated the UN Charter and the norms governing international relations. Diplomatically, however, the Vietnamese authorities intentionally evaded this essential point and went all out to vilify the Cambodian Government at that time. From ulterior motives, they exaggerated some of the errors in the Cambodian Government's domestic policy and accused it of genocide. They termed their invasion of Cambodia an act to save the Cambodian people. This is a typical example of justifying aggression. In reality, Cambodia under Vietnamese occupation has already become a hell on earth. It is thus clear that it was not the Democratic Kampuchean Government but the Vietnamese authorities themselves that carried out the policy of genocide in Cambodia and killed the Cambodian people in large numbers. Vietnam is the true aggressor.

Cambodia is an independent, sovereign state. Its government policy is an internal affair and foreign nations have no right to interfere. This is a universally acknowledged norm of international relations. If Vietnam were dissatisfied with some of Cambodia's domestic policies and could use this as an excuse to send troops to interfere, then wouldn't the world fall into mass upheaval? Would there be any justice and generally acknowledged truth in the international community? How could the many small, weak nations survive? Vietnam's dispatch of troops to Cambodia is an act of aggression, not one designed to save lives. No excuses can justify or legitimize Vietnam's invasion.

Second, since 1980 Vietnam has constantly launched diplomatic offensives toward ASEAN and has put forward a series of proposals for so-called dialogue between groups, regional conferences, bilateral or multilateral regional negotiations, and so forth. Vietnam's objective is crystal clear. It wants to turn the Cambodian issue into a problem between the so-called three Indochinese nations and ASEAN, cover up the truth behind the Cambodian issue, and legitimize the Heng Samrin regime so that it can become an equal of the ASEAN nations. The ASEAN nations saw through Vietnam's schemes and naturally rejected them. At the same time, they solemnly pointed out: The Cambodian issue is a result of Vietnam's armed aggression. The nature of the problem cannot be distorted. Vietnam must unconditionally withdraw all its troops from Cambodia in accordance with relevant UN resolutions and restore the independence, sovereignty, and territorial integrity of Cambodia. Otherwise, a political solution to the Cambodian issue is out of the question.

Seeing its schemes crushed by ASEAN, the Vietnamese authorities flew into a shameful rage, threatening ASEAN that the latter must understand that dialogue is better than confrontation. Otherwise, Vietnam's relations with them would become more strained.

As everybody knows, Vietnam's invasion and occupation of Cambodia not only undermines the independence and sovereignty of Cambodia, but also poses a direct threat to the security of the ASEAN nations. Thailand particularly is the first to be affected. Vietnam's invasion of Cambodia not only brought the tremendous burden of refugees to Thailand, but Vietnam has also violated Thai territory on numerous occasions and constantly increased tensions on the Thai-Cambodian border. To ensure their own security and peace in the region, the ASEAN nations, including Thailand, adopted a clear-cut stand of supporting the Cambodian people and opposing Vietnam's invasion. This solemn stand of the ASEAN nations will not be altered despite any threats of coercion on the part of the Vietnamese authorities.

Third, the Vietnamese authorities also fabricated a sensational myth about the threat from China. They claimed that Vietnamese troops entered Cambodia and established a garrison in order to counter the Chinese threat. Through this deductive reasoning, they concluded that the Cambodian issue is a problem between Vietnam and China. But after all, who sent troops to Cambodia, occupied it, and interfered in its internal affairs? Who has constantly violated Thai border areas and poses a threat to the security of the entire southeast region? The answers are clear. China has always pursued a foreign policy of opposing hegemonism and safeguarding world peace. It has no desire to and never will invade and occupy the territory of any country. China, together with ASEAN and the entire international community, supports the Cambodian people's struggle against Vietnam and firmly demands that Vietnam withdraw all its troops from Cambodia. China continues to uphold the guidelines of the UN Charter and the norms of international relations, as it did in supporting Vietnam's struggle to resist U.S. aggression and save the nation. This stand is open and aboveboard, firm, and unshakable.

Vietnam's invasion of Cambodia has drawn Soviet influence into Southeast Asia, which seriously threatens the peace and security of this region, China, and the whole world. As a member of the United Nations, China is dutybound to safeguard its national security as well as peace and order throughout the world. However, the Vietnamese authorities look upon China with hatred for this reason and have constantly provoked incidents along the Sino-Vietnamese border. It is thus clear that the invasion of Cambodia and the anti-China stand are two interrelated aspects of Vietnam's pursuance of regional hegemonism. The Vietnamese authorities confuse black and white by saying that the Cambodian issue is a problem affecting its relations with China. The sinister end of this scheme is to deceive the world public opinion, shift the responsibility for the Cambodian issue onto China, and justify its act of aggression. Public opinion within the ASEAN nations has already indicated a clear understanding of that problem. The Sino-Vietnamese conflicts are not contradictions between the two nations. They are chiefly caused by Vietnam's ambitions with regard to Cambodia. As everybody knows, China will agree to resume talks with Vietnam to improve relations between the two nations provided that Vietnam agrees to withdraw all its troops from Cambodia. It is thus clear that Vietnam's so-called theory of Chinese threats can deceive nobody.

Fourth, since 1982, Vietnam has constantly exaggerated what have been called partial withdrawals or gradual withdrawals. It has staged so-called troop withdrawal farces for invited foreign reporters. Did the Vietnamese really want to withdraw troops for their own salvation? No, absolutely not. Public opinion in ASEAN and the world pointed out long ago that the so-called partial withdrawal is nothing more than a rotation of troops. Vietnam's sole objective is to deceive world public opinion with a false troop withdrawal, stall for time and consolidate its military occupation of Cambodia. What is especially ridiculous is that Vietnam has always made the elimination of the Khmer Rouge a precondition for its complete troop withdrawal.

Our country's representative to the United Nations Ling Qing pointed out that it is as ridiculous as a burglar insisting that he would not leave until the owner of the house is removed.

The international struggle around the Cambodian issue has continued unabated over the past few years. While consolidating its military occupation in Cambodia, Vietnam has played every possible trick in the diplomatic arena. However, Vietnam's clumsy performances only more fully expose the hideous features of an aggressor and make it increasingly isolated in the international community.

BEIJING VIETNAMESE CRITICIZES SRV PLAN

OW181133 Beijing in Vietnamese to Vietnam 1400 GMT 16 Jan 86

[Unattributed commentary: "On Vietnam's So-Called Model for Peaceful Coexistence"]

[Text] Early this year, the Vietnamese authorities put forth a so-called model for peaceful coexistence in Southeast Asia while feverishly launching a new dry-season offensive against the Democratic Kampuchean resistance forces.

At a recent Hanoi press conference, Vo Dong Giang, Vietnamese vice minister of foreign affairs, said: The Cambodia issue is closely related to the peace and stability of Southeast Asia. There must be a model for peaceful coexistence in Southeast Asia before speaking about independence, sovereignty, and security in the region. What model for peaceful coexistence is Vietnam peddling?

The answer can be found in the following points of Mr Vo Dong Giang's stance designed to resolve the Cambodian issue:

First, Mr Vo Dong Giang holds that the key to the present Cambodian issue is not Vietnam's troops withdrawal from Cambodia. He criticized other people's pressure on Vietnam, demanding that Vietnam totally withdraw its troops from Cambodia before 1990. That statement is really difficult to understand. Completing yearly troop withdrawal plans by 1990 is the very proposal Vietnam put forth some time ago. Does Mr Vo Dong Giang's statement show the utter hypocrisy of the Vietnamese plan? A total of 180,000-200,000 Vietnamese invaders remain in Cambodia, undermining the peace and stability of Southeast Asia.

Second, Mr Vo Dong Giang stressed: The withdrawal or nonwithdrawal of Vietnamese troops must be linked to the gradual growth of Cambodia's Phnom Penh regime, to the ability or inability of that government to shoulder all military tasks. That prerequisite condition proves that, aside from using their aggressor troops to hunt down the Democratic Kampuchean resistance forces, the Vietnamese authorities have constantly bolstered the strength of the Cambodian puppet army, using Cambodians to fight Cambodians, in pursuit of their goal of a lasting occupation of Cambodia.

Third, Mr Vo Dong Giang has requested that all Cambodian factions or individuals hold talks with the Heng Samrin administration as a condition for the withdrawal of Vietnamese troops. This is the bait that the Vietnamese authorities are dangling before the three Democratic Kampuchean factions for the purpose of making them recognize the legitimacy of the Heng Samrin regime and the Vietnamese invasion of Cambodia as a fait accompli.

Fourth, Mr Vo Dong Giang reiterated that the Cambodian issue cannot be separately resolved, and requested that the world community find a solution to ensure peace and stability in Southeast Asia and eliminate the so-called interference by outside powers. He said that is the precondition for the withdrawal of Vietnamese troops from Cambodia. He also threatened that if such a solution cannot be found, Vietnam will find it necessary to withdraw its troops gradually.

The Vietnamese authorities' scheme is very clear: They attempt to use that topsy-turvy measure to create a pretext for their lasting occupation of Cambodia. The aforementioned points of Mr Vo Dong Giang's stance fully prove that Vietnam's so-called model for peaceful coexistence in Southeast Asia is a model that undermines peace and stability in Southeast Asia, a model furthering its expansionist-hegemonic policy. This model runs counter to the common aspirations of the people in Southeast Asia and the rest of the world, and to the resolutions on the Cambodian issue approved by various UN General Assembly sessions.

The correct way to resolve the Cambodian issue is the implementation of the related UN General Assembly resolutions: Vietnam must unconditionally and totally withdraw its troops from Cambodia and end its invasion and occupation of Cambodia, so that the Cambodian people can build a peaceful, independent, neutral, and nonaligned country without foreign interference. That is the only way to remove the hot spot in Southeast Asia resulting from Vietnam's invasion. That is a genuine model for ensuring peace and stability in Southeast Asia.

DELEGATION LEAVES FOR TRADE VISIT TO INDONESIA

BK200913 Beijing International Service in Indonesian 0830 GMT 20 Jan 86

[Text] At the invitation of the Indonesian Chamber of Commerce and Industry, a 7-man commodity inspection delegation of the China Council for the Promotion of International Trade [CCPIT] today left Beijing for Jakarta via Singapore to pay a friendly visit to Indonesia and hold consultations with the relevant Indonesian bodies on [words indistinct] in Sino-Indonesian direct trade relations.

The delegation is headed by CCPIT Vice Chairman Guo Dongpo as chief delegate, and the vice director of the PRC State Export-Import Commodity Inspection Bureau, (Qi Zongyen), as deputy chief delegate. The delegation, which is scheduled to make a week-long stay in Indonesia, will leave Jakarta for home on 28 January.

SINO-BRITISH LAND COMMISSION REACHES AGREEMENT

OW171442 Beijing XINHUA in English 1434 GMT 17 Jan 86

[Text] Hong Kong, January 17 (XINHUA) -- An agreement was reached by the two sides of the Sino-British Land Commission on accounting arrangements for premium income from land transactions. This was stated in a press release issued here today by the commission at the end of its two-day seventh meeting.

"The two sides," the press release added, "also reviewed with satisfaction the progress made by the commission during the first six months of its operation." "During this period, the two sides, in the spirit of friendly cooperation and in accordance with the provisions of Annex III to the Sino-British joint declaration, have reached agreement on a range of legal documents for land transactions, the land disposal program for the 1985-86 financial year, the average cost of land production for the year and the accounting arrangements for premium income," it said. These agreements, the press release said, are beneficial to the operation of the property market, economic development and land administration in Hong Kong.

The commission's first meeting was held here last July. Hong Kong public opinion values highly the commission for its operation. Some public figures pointed out that both sides had contributed constructive service to the prosperity and stability of Hong Kong. The next meeting of the commission will be held in March to discuss the land disposal program for the 1985-87 financial year, the press release said.

BEIJING RADIO ON AFGHANISTAN PROBLEM, PART 1

OW180532 Beijing Domestic Service in Mandarin 1150 GMT 15 Jan 86

[First of 3-part series on Afghanistan from the "International Current Events" program entitled: "Why Did the Soviet Union Invade and Occupy Afghanistan?"]

[Text] By the end of 1979, the Soviet Army had flagrantly invaded Afghanistan, ignoring the basic precepts of international relations. This action shocked the world. The people of the entire world had good reason to be shocked. The Soviet Union had always advertised that holding high the banner of anti-imperialism, it was the loyal and reliable friend of the people of the Third World. However, it sent armed troops to invade and occupy a small, weak, and nonaligned country of the Third World, creating a precedent for all such future armed interventions.

A major power within the Warsaw Pact, the Soviet Union has restricted its stationing of troops to within allied countries prior to its invasion and occupation of Afghanistan which, as a non-ally of the Soviet Union, had not requested the dispatch of Soviet troops. The Soviet Union's armed occupation of Afghanistan fully reveals the truth behind the myth that the Soviet Union is the friend of the people of the Third World.

Equally shocking was the fact that, in satisfying its own strategic needs in its rivalry with the United States for world hegemonism, the Soviet Union did not hesitate to harm other countries' interests and use armed force to occupy and dominate them. The Soviet Union's invasion and occupation of Afghanistan was a prophetic beginning. Such bullying and hegemonic action on the part of the Soviet Union is a serious threat to the entire world, particularly the weak and small countries of the Third World.

Before its invasion and occupation of Afghanistan, the Soviet Union had been stepping up its interference in Afghanistan's internal affairs and supporting and instigating coups in that country. This had put the world's public opinion on the alert. While making the critical decision to invade Afghanistan, the Soviet Union knew too well that the whole world would condemn it. So it fabricated an excuse for the invasion, arrogantly alleging that it was sending troops to Afghanistan at its own request to help the Afghan people ward off invading foreign forces.

Now, why did the Soviet Union invade Afghanistan? Its invasion of Afghanistan was designed to pave the way for its strategy of southward expansion. In its strategy of contending with the United States for world hegemony, the rivalry for domination of the Indian Ocean is an important link in its expansion plan. Once the Indian Ocean is under its control, it has easy access to the Pacific Ocean to the east and to the Atlantic Ocean through the southern tip of Africa to the west. At present, South Asia and the southwestern Indian Ocean are one of the areas of greatest contention between the two superpowers.

Although the Soviet Union had sent its fleets to the Indian Ocean beginning in 1968, it also wanted to have a land passageway for its drive southward. Spanning the Eurasian Continent, the Soviet Union's shortest direct passageway to the Indian Ocean is to cut through its southwestern neighbor Afghanistan and Afghanistan's neighbor, either Pakistan or Iran, and then proceed southward. Afghanistan's strategic position is extremely important to the Soviet Union in that it serves as a springboard for its southward drive.

For many years, the Soviet Union had sought control of Afghanistan to help carry out its expansion strategy. That is why the Soviet Union supported or instigated coups in Afghanistan whenever the incumbent Afghan leaders demonstrated the slightest dissatisfaction with the Soviets or whenever the Soviets considered them unsatisfactory. In the little more than 1 year from April 1978 to the end of 1979 when the Soviet Union invaded Afghanistan, it supported or instigated three coups in Afghanistan. During the last one, the Soviet Union sent its Army to invade Afghanistan, executed Amin, the Afghan leader who was suspicious of the Soviet Union, and put Karmal on the stage. The Soviet Union's intent was all too obvious. It wanted Afghanistan to be absolutely subservient to and willingly ordered about by the Soviet Union so that it would meet no obstacles at all on its drive southward.

It is absurd that the Soviet Union should have claimed that its armed invasion of Afghanistan was committed at the request of Afghanistan. Nobody would believe that the Afghan people would request the Soviet Union to massacre them.

The Soviet Union has been increasing its troop strength in the 6 years since it invaded Afghanistan. The current total strength is about 120,000. Another 30,000 Soviet troops are stationed along the Afghan-Soviet border where they constantly attack Afghan resistance forces.

The Soviet invasion troops are equipped with modern weapons, including airplanes, tanks, armored cars, big guns, guided missiles, and napalm bombs. It has been disclosed that the Soviet Union has dispatched over 600 military airplanes to Afghanistan. The Soviet invasion army adopts a barbarous scorched earth policy and carries out indiscriminate bombing, destroying large sectors of land and crops and massacring innocent people to create a no-nan's-land, thereby inflicting unprecedented havoc on the Afghan people. The Soviet Union has massacred 1.1 million Afghan people since its invasion of Afghanistan. It has forced 4 to 5 million Afghans to flee their country. While the Soviet invasion army has committed so many towering crimes in Afghanistan, the Soviet Union has repeatedly stated that its armed invasion of Afghanistan is fulfilling international obligations -- an attempt to fool the people of the world.

The Soviet Union's invasion of Afghanistan over 6 years ago shocked the people of the world. More than 6 years have passed. The Soviet Union's perpetrations in Afghanistan have enabled the people of the world to understand it still better. The Soviet Union's so-called internationalism is nothing more than hegemonism and expansionism. Its armed occupation of Afghanistan is promoted purely by its contention with the United States for world hegemonism. Yet, it portrays itself as a gentleman of honor, claiming that it is responding to Afghanistan's plea for assistance. Playing a thief crying "stop thief," it claims that it has sent troops to Afghanistan to help the Afghans ward off invading foreign forces. In fact, the Soviet Union stops at nothing and commits all manner of crimes. What the Soviet Union has done in Afghanistan justly tells the true nature of its aggression against Afghanistan.

MINISTER ARRIVES IN BANGLADESH FOR CONFERENCE

OW161917 Beijing XINHUA in English 1853 GMT 16 Jan 86

[Text] Dhaka, January 16 (XINHUA) — Chinese Minister of Chemical Industry Qin Zhongda arrived here this evening to attend the three-day second session of China-Bangladesh Joint Economic Commission.

Addressing newsmen upon his arrival at the airport, Qin said the session is of "very great importance," and he has come to Bangladesh to explore new areas for cooperation in economic, science and technology fields. He will at the same time review with his Bangladesh colleagues the progress in the bilateral cooperation achieved since the first session in Beijing in September 1984, he said.

Meanwhile, financial advisor to Bangladesh President, M. Syeduzzaman, said that the forthcoming session is very important since it is the first meeting between the two countries after Bangladesh launched its Third Five-Year Plan (1985-90) last July. He believed that many concrete projects for cooperation will be worked out at the session. Both Syeduzzaman and Qin said that the two governments have attached great importance to relations with each other and felt satisfied with progress achieved in bilateral cooperation.

During his week-long stay here, the Chinese minister is scheduled to visit a number of projects and places. He will take part in the inauguration of a China-aided chemical fertilizer factory located about 110 km east of Dhaka on January 20.

Joint Ventures Agreed

OW191640 Beijing XINHUA in English 1627 GMT 19 Jan 86

[Text] Dhaka, January 19 (XINHUA) -- Bangladesh and China have agreed to facilitate joint venture collaboration in the fields of leather processing, light engineering, textiles finishing and spinning and other small industries. This was announced here this evening at the end of a three-day second session of the Sino-Bangladesh joint commission at a press conference by heads of the two government delegations to the joint meeting. They are M. Syeduzzaman, financial advisor to the Bangladesh president, and Qin Zhongda, Chinese Minister of Chemical Industry.

Since 1975 when the two countries established diplomatic relations, China has helped Bangladesh build a number of projects including a textile mill in October 1983 and a chemical fertilizer factory to be inaugurated tomorrow, M. Syeduzzaman said. At present the construction of two other China-aided major projects -- one water conservancy project and one bridge -- is under way, he said, adding that China has also agreed to help build a mini-hydropower plant in northern Bangladesh.

Qin Zhongda expressed China's willingness to cooperate with Bangladesh in those fields like mining and exploitation of coal deposits, development of sericulture and construction of chemical projects in fertilizer, soda ash, caustic soda and chlorine. The two sides also discussed issues relating to the implementation of the Bangladesh-China maritime and air transport agreements and measures to balance the volume of bilateral trade. They announced that the next joint commission session will be held in Beijing in the first half of 1987. The first session was held in September 1984 after the joint commission was set up in 1983.

Qin Zhongda arrived hereon January 16. Before his departure for home on January 23 he will visit a number of projects and places in cluding Chittagong, Bangladesh's largest seaport.

FURTHER ON SUDANESE DELEGATION'S VISIT

Meeting With Zhao Ziyang

OW151515 Beijing XINHUA in English 1447 GMT 15 Jan 86

[Text] Beijing, January 15 (XINHUA) -- Premier Zhao Ziyang told a high-ranking Sudanese delegation here today that China and Sudan enjoyed good relations and sincerely trusted each other.

The visiting delegation is being led by Lieutenant General Muhammed Tawfiq Kahlil, a member of Sudan's Transitional Military Council and chief staff of the Armed Forces.

Zhao said he was convinced that through the common efforts of both countries, Sino-Sudanese traditional friendship and bilateral trade and economic relations would make constant progress. The Chinese premier praised the "wise" policies being carried out by the new Sudanese authorities, and said he hoped the Sudanese people would make new achievements in safeguarding their national sovereignty and unity, and developing their economy.

Zhao asked Tawfiq Khalil to convey his best regards to 'Abd al-Dahab, chairman of the Sudanese Transitional Military Council, and Al-Jazuli Daf'Allah, prime minister of the transitional government.

Tawfiq Khalil said he was glad that the two countries shared common views on many international issues. He said that during their three days here, the delegations had taken part in very friendly talks with their hosts, and he sincerely thanked China for support given to Sudan.

Present at the meeting was He Qizong, deputy chief of the General Staff of the Chinese People's Liberation Army.

Earlier, the delegation visited the Great Wall and the Ming Tombs in Beijing.

Accords Signed

OW160954 Beijing XINHUA in English 0929 GMT 16 Jan 86

[Text] Beijing, January 16 (XINHUA) -- A summary of talks on cultural and educational cooperation between China and the Sudan was signed here this morning.

Also signed on the same occasion were three documents concerning economic relations between the two countries, namely, the agreement on the establishment of a mixed committee for economic and trade cooperation, a trade protocol for the year of 1986 and a protocol on the implementation of the economic and technical cooperation agreement which was concluded on December 15, 1984.

The signing ceremony was witnessed by Chinese Vice-Premier Tian Jiyun and Lieutenant General Muhammed Tawfiq Khalil, member of the Tranitional Military Council and chief of the Armed Forces of the Sudan, who is visiting China at the head of a high-ranking Sudanese delegation.

After the signing ceremony, the Sudanese visitors left Beijing for a tour of southern China. Seeing the guests off, Tian Jiyun described their five-day stay in the Chinese capital as"fruitful."

Delegation Departs

OW191100 Beijing XINHUA in English 1039 GMT 19 Jan 86

[Text] Guangzhou, January 19 (XINHUA) -- a high-ranking Sudanese delegation led by Lieut. General Muhammad Tawfiq Khalil, memberof the Transitional Military Council, left here for home by train via Hong Kong this morning at the end of its friendly visit to China.

Khalil, also chief of staff of the Armed Forces, told XINHUA before his departure that the visit has strengthened friendly relations and cooperation between the Sudan and China. During the meetings, he said, Chinese leaders appreciated policies pursued by the Sudan and fully understood the problems the country was confronted with.

The delegation arrived here from Xiamen by special plane yesterday. On that day evening the Sudanese visitors were guests of honor at a banquet given by the people's government of the Guangdong Province.

PENG ZHEN EXPRESSES PRC SUPPORT FOR ZIMBABWE

OW201900 Beijing XINHUA in English 1843 GMT 20 Jan 86

[Text] Hangzhou, January 20 (XINHUA) -- China and all other countries which uphold the cause of justice support the struggle of the Zimbabwean people, Peng Zhen, chairman of China's National People's Congress (NPC) standing Committee, said today. At a meeting here with Nolan Makombe, president of Zimbabwe's Senate, Peng said China will, as always, support the struggle of the Zimbabwean and other southern African peoples against the apartheid policies of the South African authorities. He praised the avhievements scored by Zimbabawe under Prime Minister Robert Mugabe in its struggle for independence and economic development.

Makombe thanked the Chinese Communist Party and people for their "brotherly" assistance to his country. He said southern Africa is still in turmoil due to the apartheid policies of the South African authorities, and the Zimbabwean people are determined to safeguard their independence gained at the cost of bloodshed. Peng said the South African authorities obstinately clung to their apartheid policies and obstruct the independence of Namibia, bringing down upon their heads worldwide criticism. "They are very isolated now," he added.

Briefing the visitor on China's experience in revolution and economic construction, Peng said that economic development and moral character-building were the main tasks after the establishment of new China in 1949.

China's current economic reforsm illustrate the country's efforts in this direction, he said. Talking about his recent tour of several eastern provinces of China, the chairman said economic developement in both cities and rural areas is progressing well. Though new problems do crop up during the reform efforts, he said, "we must keep exploring the way ahead. The course of the reforms is unchangeable and they are bound to succeed." The two sides shared the desire to further their cooperation in all fields. The visitors arrived here this morning accompanied by He Ying, a member of the NPC Standing Committee.

HU QILI STRESSES IDEOLOGICAL, POLITICAL WORK

OW200759 Beijing XINHUA Domestic Service in Chinese 1305 GMT 18 Jan 86

[Text] Beijing, 18 Jan (XINHUA) -- In order to promote the building of socialist spiritual civilization, the Central Secretariat has decided to devote greater efforts to intensifying and improving ideological and political work and achieving a fundamental change for the better in party style and social conduct and, at the same time, continue to work on major economic principles and policies. This was said by Hu Qili, member of the Political Bureau and the Secretariat of the CPC Central Committee, at the graduation ceremony at the Central Party School today. The efforts will cover the following four aspects this year: education in the current situation; the improvement of party style; the development of correct guideline in the ideological, cultural, and theoretical fields; and the strengthening of political and legal work.

Wang Zhen, vice chairman of the Central Advisory Commission and president of the Central Party School, presided over the graduation ceremony. Also attending were Han Guang, permanent secretary of the Central Discipline Inspection Commission; Wei Jianxing and Zhu Houze, respectively director of the Organization Department and the Propaganda Department of the CPC Central Committee; and Jiang Nanxiang, first vice president of the Central Party School.

In his speech, Hu Qili first extended, on behalf of the Central Secretariat, warm congratulations to the graduates on their completion of study at the party school and wished them greater success after they return to their working posts. His speech was divided into three parts: first, economic development and reforms; second, building spiritual civilization and improving party style; and third, the question of combining theory with practice.

Discussing the building of spiritual civilization and improvement of party style, Hu Qili said: While working for a high level of material civilization, we must strive to build a high level of socialist spiritual civilization. This is a strategic principle for building socialism. The history of socialism and the present situation in China have repeatedly told us that the success or failure of socialism depends on whether or not we adhere to this principle. In order to promote the building of socialist spiritual civilization, the Central Secretariat has decided to take the following practical measures:

-- Pay close attention to education in the current situation. He said: Correct understanding and analysis of the situation is the basis for formulating our policies and achieving unity in thinking and action under the guidance of the party's line, principles, and policies. Why is it all the more necessary to stress education in the situation when it becomes better? It is because the better the situation is, the easier it is to cultivate blind optimism and differences in thinking and understanding among the people. Judging from our past experiences, most errors were made at a time when the situation was good. Therefore, we should pay close attention to education in the situation and conduct it on a regular basis. Previously we devoted attention mainly to education in the situation at schools. From now on we should intensify the education in depth and width and focus it on all cadres, staff and workers, and intellectuals. On the basis of this education, we will unfold a nationwide democratic discussion this year focusing on the benefits and problems of the economic structural reform in order to sum up the experience and lessons of the past 10 years since the downfall of the "gang of four," obtain a clear understanding of the excellent situation, achieve unity in thinking, and facilitate the reforms.

-- Pay close attention to improving party style. In improving party style, Hu Qili told the graduates, it is necessary to first set good examples with their own deeds and, second, improve the party style of their respective organs, units, and localities. He said: We must not just pay lip service to improving party style, but must dare to take firm action. Those who have broken the law should be punished by imprisonment or death by the law. Currently it is necessary to concentrate on major and grave cases, especially those in which senior cadres or their children are involved. It is necessary to smash the resistance and thoroughly investigate such cases so that we can execute one as a warning to a hundred and save a group of cadres. Although our policy is still one of not resorting to the method of political campaigning, it is necessary to make unfailing and earnest efforts to improve party style and social conduct, which is a protracted task. Starting from the meeting of 8,000 cadres of the central organs this year, we should make relentless efforts for the next 2 years to strive for marked improvement in party style and social conduct. In carrying out the four modernizations program, we should employ dual tactics, paying attention to both construction and law enforcement, including party discipline and state laws. Without the people's democratic dictatorship, there will be no social stability and unity, or success of the modernization drive; and without healthy party style and social conduct it is impossible to carry out the reforms, and it can only undermine the development of social forces of production.

-- Pay close attention to the development of correct guidelines in the ideological, cultural, and theoretical fields. He said: An important aspect in building spiritual civilization is to enrich the people's cultural life with quality spiritual food. In recent years, comrades in the ideological, cultural, and theoretical fields have done a tremendous job in producing voluminous outstanding works and have contributed greatly to the building of socialist spiritual civilization. However, there have also been a few vulgar and poisonous works, especially in cinema, TV, radio, newspapers and periodicals, and books, which can exert a great influence on the thinking, morality, and mental outlook of the hundreds of millions of viewers and readers. Therefore, in intensifying the building of spiritual civilization, it is imperative to focus attention on work in the cultural and media fields. The central authorities urge departments and units in charge of cultural and media work to develop correct guidelines, clearly define their position and role in building spiritual civilization, improve the political and professional quality of their ranks, and strengthen and improve the party's leadership in order to produce more and better spiritual food and serve the building of the two civilizations. The cultural and media departments should uphold the four cardinal principles, adhere to the objective of serving the people, and place social benefit above anything else. Quality spiritual food that appeals very much to audiences and readers can also produce great economic results. Under the socialist system, the social benefit and economic results of spiritual food should be identical, not contradicatory. It is necessary to increase economic results under the premise of improving social benefit. Comrades in the cultural and media fields should take the lead in conscientiously building spirutual civilization.

-- Pay close attention to political and legal work. He said that the political and legal front are important fields having a bearing on whether or not we can consolidate our socialist regime and stabilize our socialist society. To achieve a fundamental improvement in party style and social conduct, we depend, first, on education and, second, on the legal system. Political and legal departments should conduct their work in accordance with the development of the situation. They must, first, protect the people's lives, property, and legitimate rights and interests, and, second, strike at the handful of criminals that are hazardous to public order to check crime. In the new era, the political and legal work should keep abreast of the needs of the modernization drive and serve the building of the two civilizations, opening to the outside world, and the reform.

The fighting goal of the political and legal work is to work hard for a number of years to turn China into one of the countries with the best social order in the world. The realization of this goal is entirely possible.

Turning to the question of combining theory with practice, Hu Qili said: The primary task for leaders is to combine the principles of Marxism with the practical experience of the modernization drive and strive to improve their ability to solve practical problems in light of Marxism. At the National Conference of Party Delegates, Comrade Xiaoping once again called on party cadres at all levels, first of all, leading cadres, to study Marxist theory. Comrade Yaobang also spoke on the question of theoretical work at a recent meeting of the Secretariat.

We should, in accordance with the direction of Comrade Xiaoping's instruction and the guidelines of Comrade Yaobang's speech, make solid efforts to study and creatively apply Marxism in order to raise the theoretical level of the whole party this year, especially among senior and middle-ranking cadres. To achieve this goal, he set three demands. They are: It is necessary to fully understand the importance of raising the level of Marxism; it is necessary to take a scientific approach toward Marxism; and the Central Party School should contribute more to raising the level of Marxism.

Hu Qili said: A scientific approach toward Marxism is one of upholding its basic principles while doing away with certain outdated specific principles or those that have proved not entirely valid in practice and replacing them with new principles. This means enriching and developing Marxism in light of practical experience derived from the new era and the new historical period.

He said: In adhering to the basic direction of theoretical work, the theorists should closely combine theory with practice, and apply the Marxist stand, views, and methods in studying problems concerning China and the world. This should be the basic principle of theoretical work. A militant Marxist should take a firm stand against a trend of thought that is critical or skeptical of or even attacks Marxism, in order to defend the basic principles of Marxism.

On the present conditions of the contingent of theoretical workers and theoretical work, he said: We have a sizable army of theoretical workers, and the political quality of an overwhelming majority of the comrades is good. Much work has been done, and successes have been achieved in some fields.

However, there are also considerable shortcomings among the contingent of theoretical workers. First, they are still incapable of meeting practical needs, and second they are still lagging behind the demands and expectations of the vast numbers of cadres and people. It should be pointed out that some comrades in theoretical circles lack an interest and enthusiasm in the reality of present-day China. They either adopt an evasive attitude toward practical problems or shut their eyes to anti-Marxist statements. This is not a Marxist attitude. We should now advocate a mental attitude of firm and persistent conviction in Marxism.

In conclusion, Hu Qili told the graduates: Comrades, although you have completed your study at the party school, you have not completed your task of studying Marxism. The party school provides a classroom for studying Marxism, but the practical experience in reform and modernization also provide a classroom, a larger one, for studying Marxism. Your graduation from the party school should be considered as entering a big classroom from a small one. It is hoped that you will compete with each other to achieve better scores in the big classroom.

FURTHER ON 14TH SESSION OF 6TH NPC STANDING COMMITTEE

Yang Yichen on Economic Crimes

OW180121 Beijing XINHUA Domestic Service in Chinese 1231 GMT 14 Jan 86

[Text] Beijing, 14 Jan (XINHUA) -- In a report delivered to the NPC Standing Committee on 13 January on the efforts of procuratorial organs to combat serious economic offenses, Yang Yichen, procurator general of the Supreme People's Procuratorate, said: Over the past year, procuratorial organs at all levels in China have further stepped up the procuratorial work on economic crimes, making new progress in the struggle against serious economic offenses and initiating an encouraging trend marked by successive breakthroughs.

Yang Yichen noted: During the period from the second half of 1984 to the first half of 1985, economic offenses appeared along with other unhealthy trends. Taking advantage of other unhealthy tendencies, serious economic offenses managed to gain considerable ground. In July 1985, we called on procuratorial organs to combat serious economic crimes as if they were carrying out a major task while continuing to fight criminal offenses with unabated efforts. After the central authorities had called for curbing new unhealthy trends, party committees at all levels further strengthened their leadership over the fight against economic offenses, and various departments in charge of economic affairs began to conduct general financial, taxation, and price investigations and to launch corporate reorganization and consolidation. Promptly seizing this good opportunity, we issued circulars on several occasions, urging procuratorial organs at all levels to coordinate closely with those general financial, taxation, and price investigations and with the work of corporate reorganization and consolidation, to seek clues to cases; and to investigate and deal with economic crimes. The number of economic offenses that procuratorial organs throughout China investigated and dealt with in 1985 was the highest in recent years, with greater progress being made during the second half. According to statistics, from January through November 1985, procuratorial organs throughout China formally investigated a total of 26,772 economic criminal cases, 5,937 of which were important; arrested 14,220 economic offenders; prosecuted 12,711 people; and recovered an economic loss of more than 140 million yuan for the state. Facts have proven that for the procuratorial organs to attach greater importance to combating economic crimes and tackle it as a major task of the present is in line with the guiding ideology of the CPC Central Committee; with the needs of opening to the outside world, enlivening the domestic economy, and carrying out reforms; and with the tasks and responsibilities of procuratorial organs as provided for by law.

Yang Yichen stated: Major steps taken by procuratorial organs in various localities in the past year included:

1. Enhancing the understanding of the importance and urgency of fighting economic crimes and undertaking the task of combating economic offenses as a chief personal business;

2. Concentrating on and harshly dealing with major cases;

3. Systematically investigating economic offenses;

4. Striving to foster the courage and skill needed to confront difficulties and smashing powerful connections and protection;

5. Stepping up the study and interpretation of relevant laws and policies so that they could be applied effectively;

6. Strengthening guidance and promoting the steady development of the struggle;

7. Propagating legal education with typical examples as teaching material;

8. Waging a general war against serious economic crimes under the leadership of party committees.

Yang Yichen emphatically said: Since economic crimes are still quite rampant, it is necessary to persist in the struggle against serious economic offenses unswervingly. He said: Although the struggle against serious economic offenses has achieved great results in the past year, criminal economic activities are still widespread. The enormity of the amounts involved, the seriousness of the harm done, the meanness of the measures taken, and the severity of the circumstances have attained exceptional proportions since the founding of the PRC. The major characteristics of the current criminal economic activities are as follows:

1. Widespread conspiracies in committing crimes, with collusion between insiders and outsiders and between higher-ups and subordinates;

2. Criminal activities involving speculation and fraud conducted in the names of "company," "center," and "trading house," and with the use of contracts or false contracts;

3. Criminal economic activities extensively launched by some state-run and collective enterprises and establishments as well as state organs in collaboration with lawless elements in society, whereby both sides take advantage of each other;

4. Criminal activities carried out by some lawless elements who try every means to get through the loopholes in policies, systems, and management methods in various forms;

5. Crimes committed again by people with previous criminal records who are being placed in important positions as "people with exceptional abilities" or "people who are capable of bringing wealth."

At present, there are, indeed, a number of lawless elements carrying out criminal activities in the economic circle at all risks and by all means. They have caused serious harm. Economically, they have undermined the socialist construction; politically, they have disrupted public and social order; and ideologically, they have contaminated social conduct. Therefore, the fight against economic crimes has an important bearing on the success and failure of our socialist undertakings. As such, no efforts should be relaxed.

Yang Yichen noted: With the current excellent political and economic situation in China, we will certainly be able to suppress the raging fury of economic crimes if only we do not fail to seize upon the current excellent opportunity to sum up experiences and draw lessons, to strive to consolidate and enhance the already find tendency, to persist in the principle of meting out harsh punishment in accordance with the law, to correct and combat unfavorable phenomena, to deal sternly with major cases, and to take an overall approach to the problems.

He said: Tempered and tested in their struggle over the past year, procuratorial cadres and officers have improved their political and professional qualities. All are determined to conscientiously implement the guidelines of the National Conference of Party Delegates; to act righteously, honestly, and uprightly; to enforce law impartially; to foster and protect the good image of the procuratorial ranks; and to make new contributions to the struggle against serious economic offenses.

He Dongchang on Education Bill

OW171301 Beijing XINHUA Domestic Service in Chinese 1433 GMT 13 Jan 86

[Text] Beijing, 13 Jan (XINHUA) -- Entrusted by the State Council, He Dongchang, vice minister in charge of the State Education Commission, explained the draft compulsory education bill at the plenary meeting of the 14th Session of the 6th NPC Standing Committee this afternoon. He said: The implementation of compulsory education is an urgent need in building socialist material and spiritual civilization in our country. It is of strategic importance to the development of our country and nation and concerns the cultivation of people in various fields and the elevation of the whole nation's scientific and cultural level.

He Dongchang said: Since the founding of New China, we have made great developments in basic education and the situation in which 80 percent of the population at that time illiterate has been fundamentally changed. According to a statistical report made in 1985, the enrollment rate reached as high as 95.9 percent among children of primarly school age, and 68 percent of them go on to junior middle schools in both cities and rural areas. However, primary education is still very weak at present. Our country is seriously short of qualified teachers and necessary school buildings and facilities, thus leading to the generally poor quality of education. In most rural areas, primary education is still not universal, and new generations of illiterates continue to emerge. This situation is sharply contradicatory to the task of building a rich, powerful, democratic, civilized, and modern socialist state by the people of the whole country.

Therefore, we must through legislation organize people's governments at various levels and mobilize people of all nationalities in our country to actively and systematically promote compulsory education with great efforts. This has become a very urgent task in the building of the "four modernizations." The State Education Commission has drafted the compulsory education bill of the People's Republic of China in the light of the actual situation in our country after making repeated investigations and studies and summing up past experiences. In drafting the bill, we have extensively solicited opinions from various provinces, autonomous regions, municipalities, and various departments concerned as well as from people of verious circles in society.

Concerning the nature of compulsory education, He Dongchang said: Compulsory education means having school-age children receive formal education for a set number of years in accordance with the stipulations of the law and which is compulsory in nature. According to the stipulations in our country's Constitution on the right and obligation of citizens to receive education, the draft bill stipulates that our country will make 9 years of schooling compulsory. It requires all school-age children, with the exception of special cases approved by the authorities concerned, to attend school and receive education. It strictly forbids any organizations or individuals to employ youngsters and children before they have completed their compulsory education. It stresses that the state, society, and all families must ensure that school-age children will have the right to receive education according to the law. In other articles, the draft bill also specifically points out the obligations of the state, society, and families in this respect. According to the nature of compulsory education, the draft bill has stipulated compulsory measures against those who refuse to share such responsibility. This is necessary in order to ensure the implementation of compulsory education.

Concerning the starting age for compulsory education and different school systems, He Dongchang said: According to the general situation of children's mental and bodily growth, it is appropriate to begin compulsory education when children reach 6 years of age. Therefore, the draft bill stipulates that the starting age for compulsory education is 6 years old. For exceedingly intelligent children, and in some special cases, the starting age may be earlier. However, I must report that at present the age for entering primary school in most places in our country is 7. If we change it to 6 within a very short time, we will experience an even greater shortage of teachers, school buildings, facilities, and funds. In the vast rural areas, in particular, even primary school education is not compulsory, and difficulties will be greater there. Accordingly, the draft bill stipulates that in areas where conditions are poor the starting age for compulsory education may be postponed to 7 years of age. Various places should actively create favorable conditions for the gradual transition from 7 to 6 years old. However, we must do it properly and pay attention to smooth transition and must not do so abruptly, so as to avoid the situation in which children of different ages begin their primary school education in the same school year. Otherwise the schools will be overcrowded, and education quality will also be adversely affected. As to some remote mountainous areas and sparsely populated areas, the beginning age for school education may be delayed and decided by related provinces and autonomous regions according to the actual situation.

He Dongchang said: Based on the situation of development of economy, culture, and education in various localities, the implementation of 9-year compulsory education may be divided into primary school and junior middle school. At present, the system of our country's primary school and junior middle school education includes "6 and 3" "5 and 4" "5 and 3" and 9-year schooling. The actual situation is that there are many different kinds of schooling. The actual situation is that there are many different kinds of school systems in our country at present. I must especially point out that at present in most rural areas the primary schools and junior middle schools are based on the "5 and 3" system. If we immediately transform them into "5 and 4" system or "6 and 3" system, we will face great difficulties in finding teachers, school buildings, facilities, and funds. Under such circumstances, the arbitrary transition from "5 and 3" to "5 and 4" or "6 and 3" system will not be favorable to the popularization of junior middle school education in the vast rural areas. Therefore, in the course of implementing 9-year compulsory education, we should allow the current "5 and 3" system in rural areas to exist for a certain period during the transitional period. The division of primary and junior middle school education will be decided by the State Education Commission after summing up experiences according to the draft bill.

On the question of steps in promoting 9-year compulsory education. He Dongchang said: In implementing 9-year compulsory education, we must proceed from the actual situation of imbalance in the development and economy and culture in various localities, adhere to the principle of seeking truth from facts, pay attention to both quantity and quality, and adopt gradual and systematic steps in line with local conditions. We can generally classify the whole country into three categories, namely cities and certain developed areas in the hinterland where 9-year compulsory education will be implemented around 1990 with desirable quantity and quality, less developed cities and towns and rural areas where compulsory primary school education will be implemented around 1990 with desirable quantity and quality and preparations made for the implementation of 9-year compulsory education around 1995, and areas with poor economic and cultural background and poor national conditions where we must make efforts to promote compulsory education in various forms and to a certain extent according to the progress in economic development.

On the question of relying on the strength of localities and society in running schools, He Dongchang said: An important experience in popularizing primary school education for years to come in our country is that we must adhere to the principle of "walking on two legs" [refering to a series of policies for balancing the relations between industry and agriculture, heavy and light industry, enterprises run by the central government and those run by local authorities, etc.] in running schools. The implementation of compulsory education cannot be done totally by the state. Therefore, the draft bill stipulates that the people's government at various levels in various localities will make reasonable efforts to set up primary schools, junior middle schools, and secondary vocational and technical schools. In addition, according to the stipulations of the Constitution, the state will encourage various enterprises, institutions, and other economic and social organizations to set up schools. According to the law, enterprises, institutions and rural units have the social obligation to promote education because this is in line with the interests of their own staff members and workers and villagers. They must not consider it an unreasonable burden. In setting up schools, various rural units should gather necessary funds for the building of schools and facilities. The people's government at county level and above should give some subsidies to areas with real difficulties. The personnel organization and budget for schools set up by enterprises and other units will follow related regulations of the state.

On the question of free tuition in implementing compulsory education, He Dongchang said: Free tuition is an important measure in implementing compulsory education and this is also a common policy adopted by various countries in the world in order to promote compulsory education. In the 1950's, our country waived tuition for middle and primary schools and only collected some miscellaneous fees. Later, owing to the "10 years of turmoil," educational administration was in a state of confusion and we again used the method of collecting both "tuition and miscellaneous fees." We must now correct this situation. In view of the current financial situation of our country and tight educational funds, it is still necessary to collect a small amount of miscellaneous fees. The draft bill stipulates that the state will waive tuition for students receiving compulsory education and in some areas with favorable conditions miscellaneous fees may also be eliminated. The methods of eliminating miscellaneous fees will be formulated by various provinces, autonomous regions, and municipalities according to their actual conditions. Besides, the draft bill also stipulates that the state will establish a scholarship system to help poor students go to school. The system of providing scholarships for students will be implemented generally at middle schools because they are set up in selected places. Primary schools are usually locally near students' homes and so the scholarship system will only be implemented at primary schools located in regions where people of minority nationalities reside or poor areas and in places where students must live at schools.

On the question of raising the quality of compulsory education, he said: At present, the quality of primary school and middle school education in our country is generally quite low. This is a weak link in the entire educational effort. Therefore, the draft bill stipulates that in implementing compulsory education it is imperative to carry out the educational policy of the state and strive to raise teaching quality. We must carry out all-round reform in the arrangements of subjects, instructional matter, teaching methods, and examinations in order to help students actively and vigorously develop their morality, intelligence, and health.

On the question of funds for implementing compulsory education and conditions for setting up schools, He Dongchang said: Based on our country's long experience, we must carry out the policy of collecting educational funds through various channels. First, the draft bill stipulates that the State Council and people's governments at various levels must increase the appropriation of funds for compulsory education at a rate higher than the increase of their regular revenue. The educational funds for this purpose should be gradually increased according to the number of students at schools.

Second, local governments at various levels may levy educational surcharges in towns and rural areas according to the State Council's related regulations. Third, the state will give subsidies to areas with economic difficulties in carrying out compulsory education. Fourth, it is necessary to urge various social forces and individuals to donate money for the purpose according to their ability. In addition, the state will provide aid to regions where people of minority nationalities reside for implementing compulsory education.

On the question of teachers for the implementation of compulsory education, he said: Our country now has 8 million middle and primary school teachers. At present, there are problems including an inadequate number of teachers, unsatisfactory cultural and professional quality of teachers, unreasonable curriculum structure, and key teachers' leaving their posts for other jobs. This situation cannot meet the strategic demand of educational modernization and facing the world and the future. Therefore, we must use our limited funds to invest in the training of teachers. It is hoped that through hard efforts in the next 15 years or so we will be able to have enough qualified middle and primary school teachers who can stay on the job and lay a foundation for building a large contingent of teachers with a reasonably high level of education, suitable age, and professional capability. In order to promote the building of the ranks of teachers in our country, the draft bill has proposed the system whereby the state holds qualification tests for teachers.

Sino-Soviet Ties Discussed

OW180458 Beijing XINHUA Domestic Service in Chinese 1248 GMT 17 Dec 85

[Excerpts] Beijing, 17 Dec (XINHUA) -- In appraising China's work in foreign affairs during 1985, members attending the 14th Session of the 6th NPC Standing Committee pointed out: The remarkable achievements in implementing China's independent and peaceful foreign policy have shown that the timely readjustment in China's foreign policy in recent years was correct and that China's current policy is strong.

In their speeches, some members lauded the principled stand adopted by the Chinese Government in handling Sino-Soviet relations. They pointed out: If the Soviet side is really sincere about improving bilateral relations, it should perform some actual deeds aimed at removing the "three major obstacles" instead of adopting an evasive stand. Members Ou Tangliang and Hou Xueyu said: If the "three major obstacles" are not removed, it is impossible to effectively improve Sino-Soviet relations.

During their discussions, the members endorsed, in general, the policy adopted by the Chinese Government in strengthening unity and cooperation with Third World countries. Vice Chairman Geng Biao said: We must continue to exert strenuous efforts to win over the majority and unite with the Third World countries.

Member Gu Dachun said: After hearing several reports on China's foreign affairs, I am elated at the new achievements and victories scored in China's foreign policy. They should be attribute to our party's correct appraisal of the international situation and the various measures it has adopted since the 3d Plenary Session of the 11th CPC Central Committee. At the same time, all this has indicated that when China develops its domestic construction well, it will become a strong foundation for carrying out foreign policy. The more developed China's economic construction is, the stronger China will be in safeguarding world peace, and the greater inspiration will it give to the world people to safeguard world peace.

Chen Muhua on Zhao's Tour

OW181327 Beijing XINHUA Domestic Service in Chinese 1212 GMT 17 Jan 86

[Text] Beijing, 17 Jan (XINHUA) -- Entrusted by Premier Zhao Ziyang, State Councillor Chen Muhua yesterday submitted a written report to the 14th Session of the 6th NPC Standing Committee on Premier Zhao Ziyang's visit to Colombia, Brazil, Argentina, and Venezuela. The report said: Premier Zhao's Latin America tour achieved the desired results and was a great success. The leaders and public opinion in these four Latin American countries shared the consensus that the visit was an historic event and important milestone in the history of relations between China and Latin America, and that it marked the beginning of a new period of development in their relations with China.

The report said: At the invitations of Colombian President Betancur, Brazilian President Sarney, Argentine President Alfonsin, and Venezuelan President Lusinchi, Premier Zhao Ziyang paid an official good-will visit to these four countries from 28 October to 12 November 1985. The visit, which was the first by a Chinese premier to the South American Continent since the founding of the country, attracted worldwide attention, especially among Latin American countries. Premier Zhao was accorded a warm and friendly grand reception by the central and local governments and the people of various circles of the four host countries. During the visit, Premier Zhao held talks with leaders of the four countries on international issues of mutual concern and development of bilateral relations in a very sincere and friendly atmosphere. He also met with people from political, industrial and commercial, press circles, and representatives of people of Chinese descent in these countries, and visited a number of major cultural and economic establishments.

The written report said: Premier Zhao especially briefed the leaders of the four countries on China's views on peace and development, the two fundamental issues of the current world, and Chinese foreign policy. Premier Zhao pointed out: The danger of war still exists, but the forces against war have grown stronger. The large number of Third World countries are the main force safeguarding world peace. Our policy is to align neither with the United States nor with the Soviet Union, but to decide on our stand according to the right or wrong of an international affair itself. Such a policy pursued by China is best for safeguarding world peace. Premier Zhao emphasized that it is the basic stand of China's foreign policy to develop unity and cooperation with the Third World countries, including Latin American countries. On the international stage, China will forever strive to safeguard the rights and interests of Third World countries. The leaders of the four countries also briefed Premier Zhao on their foreign policy and stand on major international issues. They all called for the relaxation of international tension and a comprehensive reduction of armaments, especially nuclear armaments, and stressed their opposition to turning Latin America into the ground for an East-West conflict by the superpowers. The talks showed that China shared identical or similar stands with the four countries on major issues of peace, disarmament, reform of the irrational international economic order, and developing South-South cooperation, all of which have a bearing on the future of the world.

The report said: The leaders of the four countries showed deep concern for the aggravation of the current international economic situation, and held that the problem of foreign debts confronting the developing countries, Latin American countries in particular, is no longer a purely economic issue, but a pressing political issue. They emphatically pointed out that it is unfair to resolve the debt problem simply by sacrificing the interests of the debtor nations because this crisis is partially caused by the creditor nations' unilateral increase of interest rates and expansion of trade protectionism.

Premier Zhao pointed out that the only solution to the debt problem is through invigorating the debtor nations' economy to build up their capability to repay the debts, and to reduce the burden of debts on them. China sides with the Third World on the debt problem confronting the Third World countries, including Latin American countries. Premier Zhao reiterated China's support for the reasonable proposal for helping the repayment through development set forth by the major Latin American debtor nations, including the four countries, at the Cartagena and other meetings.

Turning to bilateral relations, the written report said: Both sides expressed satisfaction with the smooth development of bilateral relations since the establishment of diplomatic relations, and expressed the common desire for further developing bilateral relations. They all agreed that there is great potential for developing cooperation between China and the four countries. The leaders of the four countries said: Despite differences in social systems and ideologies between China and the four countries, they share common stands and interests on many major international issues. China is a trustworthy partner for the Latin American countries. Premier Zhao pointed out: The smooth development in China's relations with the four countries has proved that countries with different social systems and ideologies may become good friends so long as they abide by the Five Principles of Peaceful Coexistence and treat each other with sincerity and equality. China attaches great importance to developing friendly and cooperative relations with the four countries, and is willing to build closer relations with them on the basis of long-term stability.

Touching on China's relations with Latin American countries , the report said: Premier Zhao emphatically pointed out that Latin America is an important member of the Third World and a major force for safeguarding world peace. It plays a pivotal role in safeguarding the economic interests and rights of the developing countries and striving for the establishment of a new international economic order. China values its relations with Latin American countries and sincerely hopes to build and develop friendly and cooperative relations with all Latin American countries. It especially hopes to markedly increase trade and economic and technological cooperation with Latin American countries.

The report said: Premier Zhao's visit has deepened the mutual understanding, expanded the common viewpoints, and explored ways and means to strengthen bilateral trade and economic and technological cooperation between China and Latin American countries. It has also received a favorable response from among the Overseas Chinese and foreigners of Chinese descent. In short, Premier Zhao's visit to Latin America has not only opened up the way for developing friendly and cooperative relations between China and the four countries and other Latin American countries, but also contributed to enhancing the unity of the Third World, developing South-South cooperation, and safeguarding world peace.

Circular on Inspections

OW190006 Beijing XINHUA Domestic Service in Chinese 1230 GMT 17 Jan 86

[Excerpts] Beijing, 17 Jan (XINHUA) -- The General Office of the NPC Standing Committee recently issued a circular on revising the inspection method of NPC deputies. According to the circular, in order to build closer relations between NPC deputies and the masses of people in their constituencies, the centralized and unified inspection will be gradually changed to decentralized and regular inspection.

The General Office called a forum this morning to discuss the revised inspection method. The forum was attended by responsible persons of all provincial, autonomous regional, and municipal people's congress standing committees attending the 14th Session of the 6th NPC Standing Committee as observers.

According to the revised inspection method, NPC deputies should, in general, regularly conduct inspections in the prefecture or city where they work and take up residence there in order to familiarize themselves with the enforcement of the Constitution and other laws; the implementation of the national economic plan and state budget; and the progress in the reforms of economic system, science and technology management system, and educational system; as well as to directly hear the opinions and demands of the masses of people.

The circular said: The NPC deputies themselves should decide specific matters regarding the content, units, and dates of their inspections.

The circular said: Suggestions and opinions made by NPC deputies during an inspection should be handed to the local people's congress standing committee for forwarding to the departments concerned, which will then study and handle them. Those suggestions and opinions that cannot be handled locally should be submitted to the General Office of the NPC Standing Committee for forwarding to central departments concerned. All departments concerned should earnestly study the suggestions and opinions, and they should reply to the deputies concerning the handling of suggestions and opinions.

The circular said: Before the Fourth Session of the Sixth NPC is convened, all provincial, autonomous regional, and municipal people's congress standing committees should tentatively arrange an inspection ranging from 10 to 15 days with specific content, units, and dates for the deputies' inspection.

At this morning's forum, responsible persons of all provincial, autonomous regional, and municipal people's congress standing committees endorsed the revised inspection method and offered suggestions for solving a number of practical problems in arranging the deputies' inspection.

Chen Pixian on Crime Crackdown

OW190124 Beijing XINHUA Domestic Service in Chinese 1222 GMT 18 Jan 86

[Text] Beijing, 18 Jan (XINHUA) -- Chen Pixian, vice chairman of the NPC Standing Committee, spoke at a joint meeting of the 14th Session of the 6th NPC Standing Committee today.

Chen Pixian said: The current Standing Committee meeting is pleased with the reports submitted by the Supreme People's Court and the Supreme People's Procuratorate concerning cracking down on serious economic crime. After lively discussions, the meeting's participants have put forth a number of constructive opinions and suggestions. Under the leadership of the central authorities, our judicial organs have intensified the struggle against economic crime and have scored remarkable achievements in cracking down on serious economic crime over the past year or so. While fully confirming the emergence of a new healthy tendency, it is also necessary to point out that economic crime remains rather pervasive and that we still face a heavy task in striking at economic crime. Therefore, we must make sustained efforts to deepen the struggle, which has a direct bearing on the success or failure of our reform and modernization drive, as well as our cause of socialism, and we must never lower our guard against crime.

Chen Pixian pointed out: As pointed out by all meeting participants, failure to strictly enforce the law and take effective measures to crack down on crime constitutes the most serious problem at the present. Where does the crux of the problem lie? Aside from questions involving the understanding and the imperfection of certain systems, it mainly lies in our softness and lack of courage in dealing with some criminals sheltered even by our leading organs and cadres.

In striking at serious economic crime under such circumstances, we must dare to contend with such criminals and smash their "connection network." Whoever is involved in a case must be ferreted out and punished according to the law.

Chen Pixian stressed: We must adhere to the dual policy, which, as the central authorities have stressed all along, calls for persistently carrying out the policies of opening to the outside world and invigorating the domestic economy, while resolutely cracking down on economic crime. We should never waver as far as the dual policy is concerned. In struggling against economic crime, it is also necessary to employ dual tactics: On the one hand, we must enforce law and discipline, earnestly rectify the failure by a number of localities to take effective measures to deal with criminals, and make relentless efforts to investigate economic crime, especially major and serious cases, and duly punish the criminals according to the law. On the other hand, we must pay close attention to ideological education; that is, the education in ideals, discipline, and the legal system, and we must teach party members, cadres, and the broad masses of people to raise their political awareness and ability to resist the corrosive influence of decadent capitalist ideas. Governments at all levels and all departments should attach importance to and support the work of cracking down on serious economic crime. As the state's power organ, the NPC should effectively exercise its functions for the benefit of the people, improve the legislative work and supervision of law enforcement, and resolutely support the judicial departments' work in order to win greater victories in the struggle against serious economic crime.

Chen Pixian said: The Central Secretariat recently pointed out that improvement of the party style should first start with the central party and government organs and Beijing Municipality, and that the central organs should set an example for the whole country. This is an important arrangement and measure for fundamentally improving party style and social conduct, and the measure has the support of the party, the people, and the Army. After several years of hard work, our party style has indeed shown remarkable improvement. However, we should also see that at present, there are still many problems of party style some of which are indeed very serious. The National Conference of Party Delegates, held in September 1985, emphatically pointed out the necessity to further improve party style. Not long ago, the General Offices of the CPC Central Committee and the State Council jointly issued a circular calling for solving six serious problems currently existing in party and government organs. On 6 January and 9 January, the Central Secretariat held a meeting of the cadres of central organs. All these show that the party Central Committee has made the greatest determination to improve party style, and it has formulated correct principles and policies and adopted feasible steps and measures to accomplish the task. Social conduct in our country hinges on our party style and on the conduct of leading organs, and the conduct of leading organs at lower levels hinges on the conduct of central party, government, and Army organs. Therefore, it is very necessary to start improving party style first with the central party, government, and Army organs and Beijing Municipality. If we make such unremitting efforts, we can surely improve party style and social conduct fundamentally.

He said: The central leading comrades delivered important speeches at the meeting of the cadres of central organs held by the Central Secretariat. Their speeches are of great significance to thoroughly implementing the guidelines of the National Conference of Party Delegates, achieving ideological unity, boosting morale, promoting the restructuring of the economy with the focus on the urban economy, and implementing well the Seventh 5-Year Plan. All comrades of the NPC Standing Committee should respond with action to the call of the Party Central Committee, and should start with themselves to set a good example in accepting the masses' supervision, examining any malpractices of their organization, and firmly improving their work style and work efficiency to meet the needs of developing socialist democracy, improving the socialist legal system, and promoting socialist modernization.

Chen Pixian also pointed out in his speech: At the current meeting, the Standing Committee members have listened to and discussed the reports by Premier Zhao Ziyang and Vice Chairman Liao Hansheng on their visits abroad and a report by Wu Xueqian, state councillor and minister of foreign affairs, on the international situation and China's foreign affairs in 1985. The Standing Committee members fully affirmed our country's remarkable achievements in foreign affairs and regarded the achievements as the results of the efforts made by our party and state to readjust foreign policy and to implement an independent foreign policy for peace. They also regarded the achievements as inseparable from our excellent domestic situation.

In conclusion, Comrade Chen Pixian also discussed how to make good preparations for the Fourth Session of the Sixth NPC. He said: At the 13th Session of the 6th NPC Standing Committee, we studied the documents of the National Conference of Party Delegates and we unanimously held that the guiding principles of that conference also serve as the guiding principles of the NPC and its Standing Committee. I think that they should also serve as guidance for examining and discussing all proposals at the Fourth Session of the Sixth NPC. We should further study and understand the general principles and policies of the National Conference of Party Delegates in order to do a good job in examining and approving the Seventh 5-Year Plan and make it a development plan for the people of the whole country to carry out the structural reform and promote socialist modernization devotedly.

He said: Before the convocation of the Fourth Session of the Sixth NPC, we should organize NPC deputies to inspect the implementation of economic plans and budgets and the work on all fronts and to make wide contacts with the masses and listen to the people's opinions and demands. During the inspection, we should conduct investigations and studies to understand the actual situation in order to do a good job in examining and discussing the draft of the Seventh 5-Year Plan and other proposals at the Fourth Session of the Sixth NPC. Recently, the General Office of the NPC Standing Committee issued to all NPC deputies a circular on improving the procedures for NPC deputies to conduct inspections. All localities may arrange the inspections in accordance with the improved procedures.

Group Meetings Held

OW200242 Beijing XINHUA Domestic Service in Chinese 1242 GMT 18 Jan 86

[Excerpts] Beijing, 18 Jan (XINHUA) -- Joint group meetings of the 14th Session of the 6th NPC Standing Committee were held yesterday and this afternoon to further discuss the main items on this session's agenda. The two meetings were presided over by Vice Chairmen Peng Chong, Zhou Gucheng, and Yan Jici.

At the joint group meeting held this afternoon, Comrade Chen Pixian delivered a speech on dealing blows at serious economic crimes, rectifying party style, and other issues. Also addressing the meetings were members of the NPC Standing Committee Zhang Chengxian, Fei Yimin, Ma Wangqi, Xu Dixin, Shen Hong, Wu Heng, Hong Sisi, Hou Xueyu, Hu Jiwei, Wu Bo, Song Yiping, and Fu Hao. Responsible persons from the Standing Committees of the Shanxi, Yunnan, and Guangdong Provincial People's Congresses and the Shanghai Municipal People's Congress attended the meetings and, as observers, addressed it; namely, Wang Tingdong, Qi Shan, Pei Xianbai, and Fan Xixian.

Many comrades pointed out at the meetings that, while persisting in carrying out the policy of opening to the outside world and enlivening the domestic economy, it is imperative to punish severely according to law those criminal economic activities that undermine our socialist modernization program so as to ensure the smooth progress of our work of reform and of opening to the outside world.

At one of the meetings member Song Yiping pointed out: The party Central Committee has said that it is absolutely necessary for the central organs to take the lead in rectifying party style. It is most important to overcome bureaucracy and eradicate decadent phenomena, such as abusing official power for selfish ends. Serious cases of violation of law and discipline must be resolutely punished according to the law.

In particular, some members discussed the issue of popularizing compulsory education, holding that this is a very urgent task in the drive toward the four modernizations and is of vital strategic significance to raising the level of scientific knowledge and and general education in the whole nation. Member Zhang Chengxian said: The popularization of compulsory education is an important task to radically improve the quality of the whole nation and to prepare the ground for building socialist material and spiritual civilization. The draft compulsory education law submitted to our Standing Committee for examination and discussion is a very important law, which was drafted on the basis of the CPC Central Committee's decision on reforming the educational system. It sums up historical experience, conforms to our national conditions, and is, by and large, a mature law. I suggest that, based on the discussions held at this Standing Committee session, investigation and study be made and that this draft law be revised as appropriate. After further examination and discussion by the next Standing Committee session, the draft law should be submitted to the Fourth Session of the Sixth NPC. Member Hu Jiwei said: It should be clearly stated in the compulsory education law that all operating expenses for compulsory education in areas with difficult conditions should be borne by the state so as to ensure that compulsory education will not be popularized there later than in moderately developed areas. He added: The more difficult an area's conditions, the more urgent the need to put the compulsory education system into practice at an early date. Compared with other methods, the popularization of compulsory education is perhaps the least expensive measure to narrow the gap between developed areas and areas with difficult conditions. Training qualified personnel and investing in the development of intellectual resources is not only a project of vital and lasting importance, but also an undertaking that can yield a big return from a small investment. I think that if we resolve to do this, we will receive wholehearted support from the people across the country.

Some members expressed their opinions about China's foreign policy and the international situation. Member Fu Hao said: The very fruitful results that our country achieved last year in implementing its independent and peaceful foreign policy were primarily attributable to the party Central Committee's efforts in recent years to adjust, strengthen, and improve our foreign policy in a timely manner. They also are attributable to the political situation of stability and unity; the very fruitful work of economic structural reform; and the sustained, steady, and coordinated development of the economic situation at home. We should make continued efforts to implement the independent and peaceful foreign policy, adhere to the principle of enlivening the domestic economy and opening to the outside world, strenuously expand our economic and trade relations and science and technology and cultural exchanges with other countries, work for the program of socialist modernization, and make even greater contributions to promoting world peace and development.

At yesterday afternoon's meeting, Xiang Chunyi, vice chairman of the NPC Law Committee, gave an explanation on a further revision of the draft fishery law.

Among those attending the meeting were Vice Chairmen Geng Biao, Peng Chong, Bainqen Erdini Qoigyi Gyaincain, Seypidin, and Liao Hansheng. Zheng Tianxiang, president of the Supreme People's Court, and Yang Yichen, procurator general of the Supreme People's Procuratorate, also attended the meetings as observers.

Fishery Law Adopted

OW201004 Beijing XINHUA in English 0959 GMT 20 Jan 86

[Text] Beijing, January 20 (XINHUA) — The 14th meeting of the National People's Congress (NPC) Standing Committee today adopted a fisheries law which will go into effect on July 1.

The law requires all local authorities above the county level to draw up plans for the comprehensive use of waters for fishing, fish breeding and the development of aquatic products.

It says that people wanting to fish on inland and coastal waters must apply for licenses from the authorities. State Council approval must be sought for foreign fishing vessels to operate in Chinese waters. Collectives and individuals can rent state-owned or collective-owned waters to raise fish.

The state encourages deep-sea fishing and will support it in terms of capital, facilities, technology and taxes, the law states.

The law forbids the catching of fries of rare and expensive types of fish.

Appointments, Removals

OW202128 Beijing XINHUA Domestic Service in Chinese 0954 GMT 20 Jan 86

[Text] Beijing, 20 Jan (XINHUA) — The National People's Congress Standing Committee appointments and removals, adopted by the 14th Session of the 6th National People's Congress Standing Committee, on 20 January 1986:

1. Doje Cedain is appointed vice chairman of the Education, Science, Culture, and Public Health Committee of the NPC;

2. Wu Fuzhao is appointed vice chairman of the Legislative Affairs Commission of the NPC Standing Committee;

3. Song Zhiguang and Li Yueran are appointed advisers to the Foreign Affairs Committee of the NPC and,

4. Yan Mingfu is removed from the post of deputy secretary general of the NPC Standing Committee.

Additional Deputies

OW210434 Beijing XINHUA Domestic Service in Chinese 1148 GMT 20 Jan 86

[Text] Beijing, 20 Jan (XINHUA) — Announcement of the National People's Congress Standing Committee: Nineteen deputies to the NPC have died since the Third Session of the Sixth National People's Congress.

These were: Zhou Yuxuan of Hebei Province; Xu Yushan of Shanxi Province; Ma Hengchang of Heilongjiang Province; Bei Hanting and Lu Yudao of Shanghai Municipality; Shi Liang (f), Hua Luogeng, and Qian Songyan of Jiangsu Province; Xia Nai and Hu Yuzhi of Zhejiang Province; Wang Yiping of Fujian Province; Mou Jikuan of Jiangxi Province; Fang Zongxi of Shandong Province; Ma Bi of Hunan Province; Chen Juntang and Luo Yanfeng of Guangdong Province; Du Xinyuan and Li Yizhang of Sichuan Province; and Li Hecai of Yannan Province. Three deputies recalled by the original electoral units were: Zhu Pingchou of Jiangsu Province; Huang Hantao of Hubei Province; and Li Nengyong of Guizhou Province.

Thirty-two additional deputies should be elected, including the 22 seats mentioned above plus the 10 seats that have been vacated by the deputies who died before the Third Session of the Sixth NPC. Since the Third Session of the Sixth NPC, the original electoral units have elected 20 additional deputies to the Sixth NPC. The NPC Standing Committee has approved the report by the Credentials Committee on the qualifications of these 20 deputies.

It has validated the qualifications of the 20 deputies to the Sixth NPC namely: Cheng Siyuan [4453 1835 6678] of Tianjin Municipality; Dong Naifang [5516 5082 5364] (f) of Hubei Province; Jiang Zemin [3068 3419 3046] and Wang Pixian [3076 0756 0341] of Shanghai Municipality; Tao Dayong [7118 1129 6978], Song Rufen [1345 3067 2781], Zhou Er [0719 3799] (f), Li Yingyun [2621 2019 6663], Lu Wenfu [7120 2429 1133], and Xu Xianzhong [6079 6343 0022] of Jiangsu Province, Wang Houde [3769 0624 1795] of Zhejiang Province; Cheng Xu [4453 1645] of Fujian Province; Li Zhen [2621 2182] of Shandong Province; Jiao Linyi [3542 2651 5030] of Hunan Province; Peng Shaoqing [1756 4801 3237], Xiao Yang [5135 4441], and Ling Luoda [0407 5700 6671] (f) of Sichuan Province, Bai Zuoguang [4101 0146 0342] of Yunnan Province; Yu Wen [6735 2429] of Qinghai Province; and Song Hanliang [1345 3352 5328] of Xinjiang Uygur Autonomous Region.

The number of deputies of the Sixth NPC to be elected is 2,978. Currently there are 2,966 deputies, and 12 others are to be elected by the original electoral units.

The Standing Committee of the Sixth NPC

20 January 1986

Nationalities Minister Named

OW200938 Beijing XINHUA in English 0931 GMT 20 Jan 86

[Text] Beijing, January 20 (XINHUA) -- Ismail Amat, former chairman of the Xinjiang Uygur Autonomous Regional People's Government, was appointed minister in charge of the State Nationalities Affairs Commission here today.

The appointment was adopted at the 14th meeting of the Sixth National People's Congress (NPC) Standing Committee which ended here today.

The 49-year-old minister, who is of the Uygur ethnic group, is the third person from a minority to hold the position since the commission was set up in 1949. His predecessors include Ulanhu (Mongolian) and Yang Jingren (Hui).

Born in Qira County in Xinjiang, Ismail Amat is now also a member of the 12th Central Committee of the Communist Party.

Ai Zhisheng, former minister of radio and television, was appointed minister of radio, cinema and television here today at the NPC Standing Committee meeting.

Standing Committee Session Ends

OW202121 Beijing XINHUA Domestic Service in Chinese 0943 GMT 20 Jan 86

[Text] Beijing, 20 Jan (XINHUA) -- The 14th Session of the 6th NPC Standing Committee closed at the Great Hall of the People this afternoon. The session decided that the Fourth Session of the Sixth NPC will be convened on 25 March this year, and suggested that the main agenda for the forthcoming NPC session will include the examination and approval of the Seventh 5-Year Plan.

During the 11-day Standing Committee session, the Standing Committee members have fully examined and discussed various proposals. The agenda for today's meeting was to make decisions on several proposals. Vice Chairman Chen Pixian presided.

The meeting first adopted a decision on the convocation of the Fourth Session of the Sixth NPC. The decision suggested that the main items for the forthcoming NPC session are to hear a report on the draft of the Seventh 5-Year Plan for national economic and social development, to examine and approve the national economic and social development plan for 1986, to examine and approve a report on the execution of the state budget for 1985, to examine and approve the state budget for 1986, and to consider the draft of the general principles for the civil code of the People's Republic of China, the draft of the compulsory education law, and the draft of the law on enterprises with exclusive foreign investment.

The meeting then adopted the fishery law of the People's Republic of China. The fishery law contains 35 articles in 6 chapters. In addition to the general principles, the chapters deal with aquiculture, fishing, increase and protection of fishery resources, and legal responsibilities. The law will go into effect on 1 July 1986.

The meeting also adopted a decision on opening the port of Nanjing to foreign vessels; a decision on expanding the Ministry of Radio and Television into the Ministry of Radio, Cinema, and Television; a report made by the Credentials Committee of the NPC Standing Committee on examination of the qualifications of the deputies newly elected to fill vacancies; and reports made by the Nationalities Committee and the Law Committee on deliberation of deputies' proposals, which were handed down to the two committees by the Presidium of the Third Session of the Sixth NPC.

At the suggestion of Premier Zhao Ziyang, the meeting decided to appoint Ismail Amat minister in charge of the State Nationalities Affairs Commission, and appoint Ai Zhisheng minister of radio, cinema, and television.

The meeting also appointed Doje Cedain vice chairman of the NPC Education, Science, Culture, and Public Health Committee, and appointed Wu Fuzhao [6762 4395 5128] vice chairman of the Legislative Affairs Commission of the NPC Standing Committee.

Present at today's meeting were Vice Chairman Geng Biao, Peng Chong, Bainqen Erdini Qoigyi Gyaincain, Seypidin Aizezi, Zhou Gucheng, Yan Jici, Rong Yiren, Ye Fei, Liao Hansheng, and Huang Hua.

State Councillor Zhang Jingfu attended the meeting as a nonvoting delegate.

APPOINTMENTS, DISMISSALS OF DIPLOMATIC ENVOYS

OW190514 Beijing XINHUA Domestic Service in Chinese 0243 GMT 19 Jan 86

[Text] Beijing, 19 Jan (XINHUA) -- In accordance with a decision of the Standing Committee of NPC Li Xiannian, president of the People's Republic of China, makes the following appointments and dismissals:

1. Appoint Teng Shaozhi [5671 4801 1807] as ambassador extraordinary and plenipotentiary of the PRC to the People's Republic of Bulgaria. Dismiss Wang Benzuo from the post of ambassador extraordinary and plenipotentiary of the PRC to the People's Republic of Bulgaria.

2. Appoint Shi Chengxun [2457 2110 6064] as ambassador extraordinary and plenipotentiary of the PRC to the Somali Democratic Republic. Dismiss Wang Shikun from the post of ambassador extraordinary and plenipotentiary of the PRC to the Somali Democratic Republic.

3. Appoint Wang Guixin (female) as ambassador extraordinary and plenipotentiary of the PRC to the Kingdom of the Netherlands. Dismiss Guo Jie from the post of ambassador extraordinary and plenipotentiary of the PRC to the Kingdom of the Netherlands.

4. Appoint Huang Shikant [7806 1102 1660] as ambassador extraordinary and plenipotentiary of the PRC to the Republic of Chile. Dismiss Tang Haiguang from the post of ambassador extraordinary and plenipotentiary of the PRC to the Republic of Chile.

5. Appoint Cui Jie [1508 2638] as ambassador extraordinary and plenipotentiary of the PRC to the Islamic Republic of Mauritania. Dismiss Sun Hao from the post of ambassador extraordinary and plenipotentiary of the PRC to the Islamic Republic of Mauritania.

6. Appoint Yang Chengxu as ambassador extraordinary and plenipotentiary of the PRC to the Republic of Austria. Dismiss Wang Shu from the post of ambassador extraordinary and plenipotentiary of the PRC to the Republic of Austria.

7. Appoint Yang Yongrui [2799 3057 3843] as ambassador extraordinary and plenipotentiary of the PRC to the Republic of Chad.

8. Appoint Huang Guocai [7806 0948 2624] as ambassador extraordinary and plenipotentiary of the PRC to the Republic of Seychelles. Dismiss He Gonkai from the post of ambassador extraordinary and plenipotentiary of the PRC to the Republic of Seychelles.

9. Appoint Zhou Xianjue [0719 6343 6030] as ambassador extraordinary and plenipotentiary of the PRC to the Central African Republic. Dismiss Xu Jingwu from the post of ambassador extraordinary and plenipotentiary of the PRC to the Central African Republic.

10. Appoint Jin Sen [6855 2773] as ambassador extraordinary and plenipotentiary of the PRC to the Democratic and Popular Republic of Algeria. Dismiss Lu Weizhao from the post of ambassador extraordinary and plenipotentiary of the PRC to the Democratic and Popular Republic of Algeria.

11. Appoint Luo Yisu [7482 0076 4725] as ambassador extraordinary and plenipotentiary of the PRC to the Republic of Cyprus. Dismiss Li Heng (female) from the post of ambassador extraordinary and plenipotentiary of the PRC to the Republic of Cyprus.

12. Appoint Zhu Xiansong as ambassador extraordinary and plenipotentiary of the PRC to the People's Republic of Benin. Dismiss Sun Zhicheng from the post of ambassador extraordinary and plenipotentiary of the PRC to the People's Republic of Benin.

STATE COUNCIL APPOINTS, REMOVES OFFICIALS

OW141431 Beijing XINHUA Domestic Service in Chinese 0921 GMT 14 Jan 86

[Text] Beijing, 14 Jan (XINHUA) -- The State Council appointed and removed a number of state functionaries on 11 November; 10, 14, and 20 December 1985; and on 5 January 1986. The appointments and removals are as follows:

Appointments: Wang Shuming [3769 2579 2494] as deputy secretary general of the State Council; Wang Pinqing as vice minister of the Ministry of Foreign Economic Relations and Trade; Liu Jibin [0491 4480 2430] as vice minister of the Ministry of Aviation Industry; Wu Qingtong as director of the Counsellors Office of the State Council; Ma Yi as vice chairman of the Board of Directors of the China National Petrochemical Corporation; and Dong Shaohua [5516 4801 5478] as general manager of the China Packing Corporation.

Removals: Wu Qingtong from the post of deputy secretary general of the State Council; Ma Yi from the post of vice minister of the State Economic Commission; Jia Shi from the post of vice minister of the Ministry of Foreign Economic Relations and Trade; Li Ke, Chen Jie, and Wang Pinqing from the posts of deputies to the minister of the Ministry of Foreign Economic Relations and Trade; Guo Ziheng from the post of vice minister of the Ministry of Public Health; Zheng Siyuan from the post of director of the Counsellors Office of the State Council; and Qiu Chunfu from the post of general manager of the China Packing Corporation.

FILM PRODUCTION ON CAREER OF SUN YAT-SEN UNDER WAY

OW201713 Beijing XINHUA in English 1513 GMT 20 Jan 86

[Text] Guangzhou, January 20 (XINHUA) -- China is to produce a color feature film about the revolutionary career of Dr. Sun Yat-sen (1866-1925), the forerunner of the Chinese democratic revolution.

An official of Guangdong Province's cultural department said the first of the two-episodes of the wide-screen film, to be produced by the Guangzhou-based Zhujiang Film Company, will be completed by the end of the year.

It will show Sun's 30-year revolutionary career from the year when he formed the Xing Zhong Hui (Society for China's Regeneration) in Honolulu in 1894.

Dr. Sun Yat-sen devoted his whole life to seeking national independence, democracy, freedom and the happiness of the Chinese people. He is a great national hero in China.

A production team left here for Shanghai three days ago. The outdoor scenes will be shot in Guangzhou, Shanghai, Nanjing, Beijing, Guilin, Hong Kong, Macao and Japan.

The screenwriters are He Mengfan and Zhang Lei. Zhang is vice-president of the Guangdong Provincial Academy of Social Sciences and an authority on Dr. Sun.

The role of the hero will be played by Liu Wenzhi, vice-president of the Liaoning Provincial People's Art Theater.

ANHUI CPC CIRCULAR EMPHASIZES LEADERS' SPEECHES

OW200247 Hefei Anhui Provincial Service in Mandarin 1100 GMT 14 Jan 86

[Text] The Anhui Provincial CPC Committee sent out a notice to party committees at all levels on 11 January, calling on all ranks of party members and cadres of leading organs, especially leading cadres, to diligently study and implement the important speeches by Hu Yaobang and other central leading comrades delivered at the central organs' cadres meeting.

The notice said: The important speeches by Hu Yaobang and other central leading comrades are addressed not only to central organs but to leading organs at all levels. Party committees at all levels should take immediate action to organize study and discussion of the speeches among party members and cadres. Leading cadres should take the lead in studying and thoroughly understanding the speeches. Organs directly under the province should make even greater efforts at setting a good example in studying and implementing the speeches. Through studying the central leading comrades' important speeches and further examining the circular issued by the General Offices of the CPC Central Committee and the State Council, issued at the end of last year, which dealt with solving a number of serious problems in office work style, organs directly under the province should thoroughly understand the great importance of the exemplary role of leading organs and cadres. They should also conscientiously improve office work habits in striving for a fundamental change for the better in the entire party's style and social conduct.

The notice emphasized: In accordance with Comrade Hu Yaobang's important speech, the guidelines of the meeting of cadres of the central organs, the circular of the General Offices of the CPC Central Committee and the State Council concerning the serious problems, and the arrangements and demands made by Comrade Huang Huang at a recent meeting of party member-leading cadres of organs directly under the province, party committees at all levels should study and formulate specific suggestions and measures for implementing the central leading comrades' important speeches in light of the actual condition of each locality, department, and unit. It is necessary to focus attention on implementing the four-point opinion set forth by Comrade Hu Yaobang in his speech and on solving the serious problems existing in office work habits underlined in the circular of the General Offices of the CPC Central Committee and the State Council. All localities and departments should study the speeches and, at the same time, conduct examinations. They should promptly correct problems once discovered. It is also necessary to formulate and perfect relevant rules and regulations in order to plug loopholes for unhealthy tendencies.

The notice called on press, radio, and television departments at all levels to vigorously increase publicity on studying and implementing the central leading comrades' important speeches. They must pay special attention to publicizing good examples in this regard. They may also expose and criticize negative examples once they are verified and approved for publication for the purpose of educating the masses.

ANHUI TO STRICTLY ENFORCE ENTRY, EXIT LAWS

OW170745 Hefei Anhui Provincial Service in Mandarin 1100 GMT 13 Jan 86

[Excerpts] The provincial Public Security Department called a province-wide telephone conference on 11 January to instruct public security organs in all localities to earnestly study and resolutely enforce the Chinese citizens' exit and entry law and the foreigners' entry and exit law. Qi Banghan, deputy director of the provincial Public Security Department, spoke at the conference.

The conference pointed out: The 13th Session of the 6th NPC Standing Committee examined and adopted on 22 November 1985 the Chinese citizens' exit and entry law and the foreigners' entry and exit law and decided that they be put into effect on 1 February 1986. This was another achievement scored by our country in building up its legal system and provided a legal basis for administering the affairs concerning foreigners and for controlling exit from and entry into our territory.

The conference also pointed out: Since the 3d Plenary Session of the 11th CPC Central Committee, our province has continuously expanded and developed its international contacts while implementing the policy of opening up to the outside world and invigorating the domestic economy. More and more areas have been opened to the outside, and activities of foreign economic relations and trade have become increasingly frequent. Our province has formed friendly ties with 8 foreign cities and established economic and trade relations with more than 80 countries and regions in the world. In addition, our province has made rapid progress in developing tourism, thanks to the favorable national conditions for this undertaking. An increasing number of foreigners, Chinese descendants of foreign nationalities, Overseas Chinese, and compatriots from Hong Kong, Macao, and Taiwan are coming to our province to visit relatives and friends, make inspections, give academic lectures, hold trade talks, and conduct science and technology exchanges. On the other hand, Chinese citizens applying for exit are also increasing in number. To improve and further develop the work of public security and foreign affairs in meeting the needs of the current situation of our country, public security organs at all levels throughout the province must act in strict accordance with the above-mentioned two laws and take resolute steps to ensure that these laws are strictly enforced and that lawbreakers are certainly dealt with. To this end, public security organs at all levels are requested to do the following:

1. Make a serious effort to study the two laws. This is a prerequisite to ensuring their implementation.

2. Give wide and intensive publicity to the two laws so as to make them known to everyone.

3. Delegate authority to lower levels in accordance with the provisions of the two laws, simplify the procedures required, increase work efficiency, and make it convenient for people to enter or exit.

The conference stressed: To enforce the two laws, we should have a number of foreign affairs cadres and policemen who are not only familiar with the two laws but also have a lofty mental attitude and display a fine work style. It is requested that organizations for handling the work be established in various localities. These organizations should have sufficient numbers of foreign affairs cadres, and their jobs should be relatively stable. In the meantime, efforts should be stepped up to train and educate the foreign affairs cadres and policemen and to see that they not only learn, understand, and enforce the laws and improve their work proficiency but that they also have a very strong political quality. They should have a lofty mental attitude and a fine work style and should be capable of working efficiently. They should stress decorum and courtesy and strive to do well in administering the affairs concerning foreigners and in controlling exit and entry as a way to contribute to the program of the four modernizations.

JIANGSU CPC URGES STUDY OF NATIONAL PARTY SPEECHES

OW161405 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 15 Jan 86

[Text] The provincial party committee issued a circular on 15 January, calling on party committees at all levels to diligently study and implement the guidelines of the speeches made by central leading comrades at the meeting of cadres of central leading organs.

The circular points out: The central leading comrades' speeches at the meeting of cadres of central leading organs convened by the Central Secretariat are major means for implementing the guidelines of the National Conference of Party Delegates. They are of great significance in achieving unity in the thinking of all party members and further firing the enthusiasm of the large numbers of party members, cadres, and the masses of people in building socialist modernization with one heart and one mind, successfully accomplishing the Seventh 5-Year Plan, and bringing about a fundamental change for the better in party style and general social conduct. As Comrade Hu Yaobang pointed out in his speech, cadres should set a good example for the whole country with their noble mental outlook and fine work style. This, he said, is a major political task not only for the central organs but also for the party and government organs at various levels. Party committees at all levels must earnestly study and resolutely implement the guidelines of the central leading comrades' speeches.

The circular calls on party committees at and above the county level to diligently study the speeches of the central leading comrades during a set period of time and, at the same time, organize cadres to study the speeches. In the course of study, it is necessary to attain unity in understanding the situation, the party's line, principles, and policies, and the rectification of party style; to further clarify and improve office work style as well as the important tasks on the cadres' shoulders; and to struggle in unity and with solid and tenacious efforts to improve our work in the second half of the 1980's.

The circular says: The study and implementation of the guidelines of the central leading comrades' speeches should be combined with those of the guidelines established by the circular of the General Offices of the CPC Central Committee and the State Council concerning an unfolding of a general inspection of party style.

The circular emphasizes: Judging the province as a whole, it is necessary to first rectify the party style of provincial-level organs, beginning with the standing committee of the provincial party committee and the party committees and party groups of all provincial departments. They must set a good example for the whole province in raising efficiency, study diligently, reinforce discipline, and enhance party spirit.

The circular calls for vigorously commending units and individuals with good style and outstanding contributions in building the two civilizations. It is necessary to promote healthy practices and give positive examples of persistence in serving the people wholeheartedly, refraining from seeking personal gain and honestly performing official duties among office functionaries in order to further improve party style and general social conduct.

The circular calls for firm action in investigating and handling outstanding problems, serious violations of the law, and lack of discipline uncovered in the course of carrying out general inspections of party style. It is necessary to sternly punish those who violate law and discipline during the general inspection. It is also essential to promptly dismiss or transfer those leading cadres who have committed grave errors in work style but refused to mend their ways, or those incompetent leading cadres who have failed to provide conscientious leadership in correcting unhealthy tendencies.

The circular calls for drawing up and perfecting necessary rules and regulations based on a thorough investigation and study of the situation in order to provide laws for the people to observe and to furnish them with the legal means to halt unhealthy tendencies. The central authorities have already decided to formulate more specific regulations on a number of questions. Regulations already announced by the central authorities must be resolutely observed from now on. Practical measures should be adopted for handling questions on which the central authorities have not formulated uniform regulations, in accordance with the actual conditions in the province.

SHANDONG SECRETARY ADDRESSES RESTRUCTURING, WORK

SK200758 Jinan Shandong Provincial Service in Mandarin 2300 GMT 18 Jan 86

[Text] On the afternoon of 17 Jan, the provincial CPC Committee held a meeting of principle officials of the provincial-level departments, commission, offices, and bureaus at the Nanjiao Guesthouse.

First, Li Changan, deputy secretary of the provincial CPC Committee and governor, relayed Premier Zhao Ziyang's important speeches at the national planning conference and the national economic work conference. Liang Buting, secretary of the provincial CPC Committee, delivered a speech at the meeting.

He said: Premier Zhao Ziyang's important speeches have pointed out clear directions for this year's economic restructuring and economic work. What he said in his speeches was relevant. Therefore, we must conscientiously study and implement his speeches, and enliven production.

Comrade Liang Buting said: Since the sixth plenary session of the fourth provincial CPC Committee made overall plans for this year's work, I only note here several issues on which we must concentrate in the first quarter of this year in order to heighten our initiative in completing our work and to make a good beginning in this year's work.

Comrade Liang Buting said: With regard to industrial production, we must prevent the tendency of a big decrease following a big increase. Therefore, we must maintain a certain growth rate while controlling excessive high growth development. Since some margin has been left in this year's industrial production plan, we must strive to exceed the plan in the course of implementation. All localities and trades should maintain a spirit of striving to exceed the production tasks on the basis of controlling excessive growth rate in achieving the current production tasks. In particular, predominantly industrial localities and trades should do better in carrying out the work. The localities and trades must be realistic in clearly understanding the situation, should pay close attention to solving the problems they themselves can solve. As for the problems that the localities and trades are unable to solve, the province should lend timely help to them in solving these problems. We must try by every means possible to overcome difficulties in creating a new status of industrial production in the first quarter of this year.

Comrade Liang Buting said: Through thorough investigations and studies of wage reform, the enterprises should strengthen ideological and political work, clearly explain the principles and policies of the central authorities, with regard to the wage reform, to the broad masses of staff members and workers, and properly solve the existing problems in accordance with the state policies, with a view to arousing the enthusiasm of the broad masses of staff members and workers.

Comrade Liang Buting said: While improving macroeconomic control, we should focus the economic restructuring on further enhancing the large and medium-size enterprises. Provincial departments should work out specific plans by the end of March regarding established workloads for every quarter of this year. We should pay attention to handling the relations between reform and development in ensuring that reform and development will be adapted to and promote each other.

Comrade Liang Buting said: We should make further plans for the province's rural work in the light of the guidelines of the national rural work conference and our province's actual conditions. We should persistently and unswervingly implement the series of principles and policies on rural work put forward by the central authorities, arouse the enthusiasm of the peasants for production, and continue to promote rural reform and development.

Comrade Liang Buting said: Organs must consciously improve their work style. Central leading comrades have made important speeches on this issue, and the provincial CPC Committee has made specific plans for the improvement of work style in organs. All departments and units should conscientiously implement the guidelines of these speeches and the plans of the provincial CPC Committee. In line with actual conditions, the units should mobilize the masses to investigate and handle the problems and work out effective measures for solving the problems. The provincial-level organs should set an example for the whole province in order to realize a notable turn for the better in the work style in the first quarter of this year. We must carry forward the spirit of the foolish old man who removed the mountains, and work solidly, persistently, and in a united manner in an effort to fulfill all tasks for this year.

SHANGHAI'S RUI RECEIVES PLA MEDICAL STUDENTS

OW192328 Shanghai City Service in Mandarin 0100 GMT 18 Jan 86

[Text] On the morning of 17 January, Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, cordially met with 20 students of the Second Military Medical University who had had on-the-job training at the Laoshan front. (Jiang Shilai), an officer leading the 20-student team, and (Sui Aiping), a student, briefed Rui Xingwen on their experiences during the 4-month training at the Laoshan front.

After listening to their briefing, Rui Xingwen said happily: You shared weal and woe with the fighters at the forefront of the motherland's national defense and steeled your loyalty to the party and the motherland. Other college students should follow your example, study well, and dedicate themselves to working among the people and at the forefront of the four modernizations in the future.

WANG ATTENDS ZHEJIANG ARMY, GOVERNMENT FORUM

OW170953 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 15 Jan 86

[Text] A provincial military and government forum was held at the (Dahua) Hotel in Hangzhou on the morning of 15 January. Attending the forum were leading provincial party and government comrades Wang Fang, Chen Fawen, Shen Zulun, Tie Ying, Shang Jingcai, and Hangzhou City Mayor Zhong Boxi. Also attending were leading comrades of the PLA ground, naval and air force units stationed in Zhejiang, as well as members of the Armed Police Corps (Wei Zhiguo), (Li Pingyuan), (Li Jisong), Li Qing, (Liu Qingseng), (Lei Hejia), (Tang Shouyang), (Liu Yishang), (Li Zhongwen), (Zhang Tangshi), (Zheng Shichao), Wang Yi, and Cheng Zhaofu.

Wang Fang, secretary of the provincial party committee, delivered a briefing on the province's economic construction last year. Under the guidance of the central principles and policies, people throughout the province devoted themselves wholeheartedly to the four modernizations drive, leading to an excellent political and economic situation as well as social stability and unity. These were inseparably linked with the vigorous assistance provided by the PLA units stationed in Zhejiang. On behalf of the provincial party committee, the provincial People's Congress, and the provincial government, Comrade Wang Fang extended a heartfelt thanks to the commanders and fighters of the PLA units.

Speaking one after the other, leaders of the PLA units stationed in Zhejiang expressed their pleasure at the province's gratifying achievements last year. They thanked the local party committees, governments, and people for their vigorous assistance in military training, with the military's scientific and general education, and with the resettling of retired and transferred military cadres.

They also expressed their determination to further promote unity between the Army and the government and between the Army and the people, to better serve the overall interest of economic construction, and to strive for greater results in Army building and in material and spiritual civilization in the new year.

Also attending the military and government forum were officials from the provincial party committee, the provincial Advisory Commission, the provincial People's Congress, and the concerned departments and bureaus under the provincial government.

Addresses PLA Meeting

OW171427 Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 16 Jan 86

[Excerpts] The Zhejiang Provincial Military District held a "support-the-government" and "extend-the-greetings" forum on the afternoon of 15 January.

Li Qing, commander of the provincial military district, briefed provincial party and government leaders and responsible persons of major units of the progress in strengthening PLA units under the provincial military district. On behalf of the party committee, leaders, and organ of the provincial military district, as well as all commanders and fighters, Li Qing thanked party committee and governments at all levels and the people throughout the province for their vigorous support of ground, air, and naval PLA units stationed in Zhejiang.

Wang Fang, secretary of the provincial party committee, spoke at the forum, which was attended by leaders of the provincial military district and officials of the provincial party committee, government departments concerned, and Hangzhou City.

ZHEJIANG, HANGZHOU CITY HOST ARMY SALUTE

OW182334 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 16 Jan 86

[Excerpts] Zhejiang Province and Hangzhou City held a Spring Festival meeting to salute the Army on the morning of 16 January at the Great Hall of the People. Leading comrades of provincial, city party, and government organizations attended the meeting. They included Wang Fang, Chen Fawen, Yuan Fanglie, Shen Zulun, Tie Ying, Shang Jingcai, Wang Jiayang, Zhong Boxi, Zhou Feng, and (Zhao Yiwen).

Also present at the meeting were leaders of PLA units in Zhejiang, including Wei Zhiguo, (Li Chengyuna), Li Qing, Liu Xinzeng, (Lei Hejia), (Tang Shouyang),(Lui Yishan), (Li Zhongwen), Li Jisong (Zhang Chuanshi), (Zheng Shichao), (Wang Yunping), (Wang Yi), Cheng Zhaofu, and (Liu Yuqi).

Hangzhou City Mayor Zhong Boxi presided over the meeting Wang Fang, secretary of the provincial party committee, addressed the meeting.

Liu Xinzeng, political commissar of the Zhejiang Military District, spoke at the meeting on behalf of the PLA units.

LIN RUO SPEAKS AT GUANGDONG CPC SESSION 20 JAN

HK200447 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 20 Jan 86

[Text] The Fourth Enlarged Plenary Session of the Fifth Guangdong Provincial CPC Committee opened in the Zhudao Hotel, Guangzhou, this morning. The session will last 4 days. Its agenda is as follows: 1) to hear and examine the work report of the provincial CPC Committee Standing Committee; 2) to readjust some of the members and alternate members of the provincial CPC Committee and members of the provincial Advisory and Discipline Inspection Commissions, and 3) to elect additions and replacements. The session is attended by 170 people, including members and alternate members of the provincial CPC committee, members of the provincial Advisory and Discipline Inspection Commissions, and some responsible comrades of cities, prefectures, and provincial organs.

Ye Xuanping, deputy secretary of the provincial CPC committee, presided this morning. Provincial CPC Committee Secretary Lin Ruo delivered a work report on behalf of the provincial CPC Committee Standing Committee. The report analyzed and reviewed last year's work in the province and introduced views on arranging this year's work in line with the central line, principles, and policies and the actual conditions in Guangdong.

Comrade Lin Ruo said: The year 1985 was the first year of implementing the CPC Central Committee decision on reform of the economic structure, a year of all-round launching of party rectification, and a year in which, under the guidance of the CPC Central Committee's line, principles, and policies, Guangdong overcame various difficulties and scored marked achievements in all work.

Discussing the work arrangements for 1986, Comrade Lin Ruo said: It has initially been decided that the province's total industrial and agricultural output value should rise by 9 percent over last year, including a 10 percent rise in industrial output value and a 7 percent rise in agricultural output value.

Comrade Lin Ruo pointed out that the general demand on work this year is: perseverance in reform, in opening up, in taking economic construction as the central task, and in building the two civilizations together; and assigning a prominent position in the year's work to party rectification, to the building of spiritual civilization, and to achieving a fundamental turn for the better in party style and social mood. On the basis of seriously summing up experiences and doing a good job in rectification in all aspects, we should strive to raise all work to a new level.

Comrade Lin Ruo then spoke on the arrangements for this year's work in three respects: 1) Follow the path of focusing on tapping internal potentials for development, and maintain sustained and steady development of the province's economy. 2) Assign a prominent position to the building of spiritual civilization. 3) Maintain an understanding of rural party rectification, continue to promote education in party style and spirit, and further strengthen party building.

HENAN CPC UNDERSCORES LEADING COMRADES' SPEECHES

HK170805 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 15 Jan 86

[Text] On 14 January, the General Office of the provincial CPC Committee issued a circular on earnestly studying and resolutely implementing the speeches of the central leading comrades at the rally for central organ cadres.

The circular pointed out that the CPC Central Committee Secretariat recently held a rally for central organ cadres. Central leading Comrades Hu Yaobang, Zhao Ziyang, Tian Jiyun, Yang Shangkun, and Wang Zhaoguo delivered important speeches at the rally. They called on all party members and cadres in the central organs to set a good example for the whole country in correcting party style and to fight for bringing about a basic turn for the better in party style and general social mood, for gradually promoting in-depth development of the reform of the whole economic structure focusing on urban areas, for fulfilling the Seventh 5-Year Plan, and for building socialism with Chinese characteristics.

The provincial CPC Committee Standing Committee members earnestly studied the speeches of the central leading comrades, analyzed the situation in the province in connection with reality, and studied measures for implementing the speeches. The provincial CPC Committee held that this important policy decision and action taken by the CPC Central Committee totally corresponds with the desires of the party, Army and people. This will greatly promote the building of the material and spiritual civilizations. We must resolutely implement the speeches.

The circular said that the provincial CPC Committee has decided to treat the implementation of party recitification and correcting party style properly as one of the major tasks for Henan in 1986. At present, units of all provincial organs and of all prefectural and city organs must seriously organize party members and cadres in earnestly studying the speeches of the central leading comrades at the central organ cadres rally. Through study, they must correctly understand the current situation, realize the important political tasks which leading organs should carry out in correcting party style, and take the lead in correcting party style conscientiously. They must closely link study with practice, examine party style in their own units, discover their achievement problems in the work relating to party style, and take effective measures to solve the problems.

The circular demanded that leading organs and cadres at all levels take the lead in investigating and correcting malpractices. Leading comrades must set a good example in this respect and use their model deeds to promote improvement in party style.

HUNAN'S MAO ENCOURAGES BROADCASTING IDEOLOGY

HK170827 Changsha Hunan Provincial Service in Mandarin 1100 GMT 15 Jan 86

[Text] Today, at the meeting of party member cadres of prefectures, autonomous prefectures, and cities, and departments and bureaus at the provincial level, Mao Zhiyong, secretary of the provincial CPC Committee, stressed: Leaders at all levels must make use of television and broadcasting to do ideological and political work well in the new period.

Mao Zhiyong said that leaders at all levels must unceasingly study and improve the method of ideological and political work and must gradually establish a sound system of political work. He suggested that our governor, heads of prefectures, mayors, and heads of counties should broadcast a 5-minute program to release news, to promptly announce certain important policy decisions, and to expound on certain important policies. They can also organize people having ideals to talk about ideals, people abiding by discipline to talk about discipline, people devoting their lives to work to talk about devoting one's life to work, and people having practiced reform to talk about reform. In doing so, we can use images to conduct specific education in ideals, in discipline, and on the situation.

XIZANG'S WU ATTENDS MEETING ON LEADERS' SPEECHES

HK170807 Lhasa Xizang Regional Service in Mandarin 0100 GMT 15 Jan 86

[Text] Party member responsible comrades of the regional CPC Committee, regional People's Congress Standing Committee, regional people's government, and regional CPPCC Committee held a joint meeting on the morning of 14 January to study the important speeches by leading comrades of the central authorities at the rally for central organ cadres. In light of the realities of Xizang, they specifically studied and arranged for conducting of a thorough education in going further to negate the Cultural Revolution, in eliminating leftist ideological influence, in clarifying the ideological line, and in realizing the basic improvement of party style in our region as scheduled. Attending the meeting were Wu Jinghua, secretary of the regional CPC Committee; Raidi, Dangzin, and Gyamincain Norbu, deputy secretaries; and responsible comrades of the regional People's Congress Standing Committee, regional people's government, regional CPPCC Committee, and departments concerned. Pagbalha Geleg Namgya, vice chairman of the regional People's Congress Standing Committee, attended the meeting by invitation.

In the course of study and discussion, the comrades present at the meeting unanimously held: At this rally for central organ cadres held by the Central Secretariat, the important speeches of several leading comrades of the central authorities completely conform to the desires of the people of all nationalities throughout the country. Over the past few years, we have talked much about the grasping of party style but have fallen short in actually grasping it. Few of us have really grasped it. At present, we must grasp the study and implementation of the spirit of the enlarged meeting of the regional CPC Committee Standing Committee in one hand and grasp party style in the other hand. We must closely link the understanding of party style with the work of conducting education in going further in three respects. The starting point and aim of going further in three respects and of correcting party style are consistent. Seeking truth from facts is an important content of correcting party style. The correction of party style is the continuing and thorough development of going further in three respects, as well as the important measures and basic guarantee for implementing the spirit of the enlarged meeting of the regional CPC Committee Standing Committee. The comrades held: When the central authorities implemented party style, the leadership organs of the central authorities took the lead in enforcing it. This is an example that needs no publicity. When our Xizang grasps party style, leading organs, including the regional CPC Committee, People's Congress Standing Committee, and people's government; leadership groups; and leading cadres must take the lead in grasping it and grasp it until we have a good work style.

Dangzin, deputy secretary of the regional CPC Committee, said: When we grasp party style, we must mainly grasp the following five points: 1) irresponsible bureaucracy and serious waste caused by it; 2) cadres accepting and extorting bribes; 3) taking advantage of power for personal gain; 4) slack discipline and failing to carry out orders and to stop doing what is prohibited; 5) getting in by the back door in recruiting workers and cadres, promoting cadres, and registering permanent residences.

Pagbalha Geleg Namgya, vice chairman of the regional People's Congress Standing Committee, said: The important speeches of several leading comrades of the central authorities represented our aspirations. What we have wanted to say over the past few years has been said by the central authorities and completely conforms to the realities of the whole country. When the organs of the central authorities have grasped party style well, the whole country is full of promise. When the regional organs have understood party style well, Xizang is full of promise.

In conclusion, Wu Jinghua, secretary of the regional CPC Committee, pointed out: When we correct the ideological line and party style, our attitude must be resolute, our pace must be safe, and we must keep in line with the CPC Central Committee politically. In the course of correcting party style, the regional organs must do well in taking the lead and set an example for the whole region.

HEBEI'S XING PAYS NEW YEAR VISIT TO WUAN COUNTY

SK160526 Shijiazhuang HEBEI RIBAO in Chinese 2 Jan 86 p 1

[Text] On the first happy festive day [1 January] Xing Chongzhi, secretary of the provincial CPC Committee, paid a special visit to the No 2 Cishan Street in the seat of Wuan County to celebrate the new year together with the cadres and the masses on that street. Comrade Xing Chongzhi visited the eight village-owned enterprises situated around the street, including the iron smelting plant, ore dressing plant, printing plant, and glass factory, as well as schools and nurseries. He also visited households in order to learn about their status, in terms of both production and livelihood. At noon, Comrade Xing Chongzhi had lunch with the family members of peasant Li Yuting, during which the traditional food of mountainous villages was served, and engaged in small talk with them.

That afternoon, Comrade Xing Chongzhi held a forum with the representatives of party members and cadres, at which he inquired about the situation prevailing in the party rectification work in rural villages and in the work of building grass-roots party organizations, spoke glowingly of the excellent situation in rural areas, and heard the reports, given by the representatives, on their new plans. At the forum, Comrade Xing Chongzhi praised the spirit displayed by the street party branch in encouraging the masses to become wealthy in general and urged that as they advanced, they should refrain from being boastful of their achievements and not forget to uncover shortcomings in further carrying forward their achievements. He also urged party members of the street to set examples in delineating party style, serving the people wholeheartedly, and in building the two civilizations; to be vanguards in suffering from hardship and losses; and to be standpatters in seeking profits. He should see to it that where there are party members, there are no backward situations. By no means should Communist Party members forget the masses at any time and only show concern for themselves. Such a tradition of leading the people to become wealthy in general, fostered by the party members belonging to the street, should be carried forward.

HEBEI: QINHUANGDAO CITY ELECTS NEW CPC BODY

SK160145 Shijiazhuang HEBEI RIBAO in Chinese 2 Jan 86 p 1

[Text] Qinhuangdao City held its Sixth CPC Congress from 27 to 31 December. On the morning of 1 January, the sixth city CPC Committee held its first plenary session and elected Bai Yunsheng [410 0061 3932] secretary of the committee, and Gu Rxiong [7357 0059 3574], Liu Renying [0491 0117 5391], Zhu Guiying [2612 2710 5391], and Yang Yuzhong [2799 3768 1813] deputy secretaries of the party committee. The session also adopted a "resolution" on rousing the leading cadres to take the lead in straightening out party style.

SHANXI GROUP EXAMINES SERIOUS ECONOMIC CRIMES

HK170759 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 15 Jan 86

[Text] The provincial CPC Committee's leadership group for cracking down on serious economic crimes convened a meeting yesterday morning [15 January] to study and make arrangements for the work on how to take advantage of favorable opportunity to severely crack down on economic crimes.

Last year, our province made further progress is cracking down on serious economic crimes. According to statistics, from January to November 1985, our province placed a total of 1,209 economic cases of various kinds on file for investigation and handling. Of them, 144 were large and serious cases. Together with the 92 pending large and serious cases left over from previous years, the province investigated and dealt with 236 large and serious cases in the whole year. The province recovered 5.19 million yuan, which was money embezzled or received in bribes and spoils evaluated in terms of money.

On the basis of affirming achievements, the meeting seriously analyzed the main problems existing in the current work. For example, the number of economic crimes is large but the number of cases placed on file for investigation and handling is small; the time for finishing a case is long, punishment is lenient, and serious economic crimes are not cracked down on vigorously enough. The meeting demanded: It is necessary to strive in deepening the understanding of the importance of cracking down on serious economic crimes, to step up the solution of large and serious cases, and to strictly and seriously investigate and deal with them. The officies at all levels for cracking down on economic crimes must reinforce their organs and strengthen leadership. In coordination with them, departments concerned must work hard. We must deal with the cases on the basis of facts and crack down on them. We must seize the current favorable opportunity to crack down on serious economic crimes in depth.

Zhang Bangying, provincial CPC Committee Standing Committee member, provincial Discipline Inspection Committee secretary, and head of the provincial CPC Committee's leadership group for cracking down on serious economic crimes, presided over the meeting and spoke. Attending the meeting were provincial Higher Court President Zhao Yaorer; Liu Yangqing, chief procurator of the People's Procuratorate; (Tian Ren), vice chairman of the provincial Economic Committee; (Xu Guoliang), deputy director of the provincial Industrial and Commercial Administrative Bureau; Zhao Bingan, director of the provincial Auditing Bureau; (Zhang Qishin), provincial Discipline Inspection Committee Standing Committee member and secretary general; and members of the leadership group.

JILIN SECRETARY SPEAKS ON IMPROVING PARTY STYLE

SK190030 Changchun Jilin Provincial Service in Mandarin 2200 GMT 17 Jan 86

[Excerpts] On the afternoon of 16 January in the assembly hall of the provincial CPC Committee, the Provincial CPC Committee held a meeting of party-member responsible cadres at or above the department level of provincial organs to thoroughly implement the guidelines of the circular on improving the work style in organs issued by the General Offices of the CPC Central Committee and the State Council. The meeting also will make plans for further improving the work style in organs and striving for the realization of notable turn for the better in party style.

Gao Di, secretary of the provincial CPC Committee, presided over the meeting. Wang Xianjin, deputy secretary of the provincial CPC Committee, delivered a speech at the meeting.

In his speech, Wang Xianjin first summed up the experiences of the provincial organs in improving their work style. He said: The departments of the provincial organs have conscientiously organized party-member cadres to upgrade their understanding of the current situation, to expose and handle existing problems, to make corrections in the course of study, and to focus on correcting such unhealthy practices as illegally purchasing cars, occupying excessive houses, and using public funds to give dinners and gifts and to conduct extravagant wining and dining. So far, the illegal purchase of cars [words indistinct] and the unhealthy practices of giving dinners and gifts with public funds and extravagantly wining and dining have basically been eliminated. Some units have undertaken specific measures and essential regulations for solving existing problems in accordance with reality. They have made a good beginning and initial progress in improving their work style.

However, some problems still exist. In principle, leaders of some departments do not possess a sufficient understanding of the important significance of improving the work style in organs, nor do they pay attention to party style in their departments. Some take a wait-and-see attitude instead of solving problems. The party organizations of some units lacking high combat effectiveness do not dare comment on the existing unhealthy practices. Some units continue to engage in the unhealthy practices and thus neglect the strict enforcementof orders and prohibitions.

With regard to the issue on continuing to improve thework style in organs, Wang Xianjin emphatically pointedout: From now on, all office cadres at the department level should conscientiously study and master the guidelines of the speeches by the central leading comrades, including Hu Yaobang, at the meeting of cadres of central organs. They should learn from the advanced deeds of the report groups of PLA models and heroes and the advanced deeds of excellent Communist Party members (Zheng Changlu) and (Niu Tianju). Leading organs and leading cadres should take the lead in studying the guidlines of central leading comrades' speeches and learning from these advanced deeds, set an example in correcting unhealthy practices, and make efforts to make notable contributions to correcting party style.

Comrade Gao Di made a speech at the conclusion of the meeting. He emphatically pointed out: Wemust improve the work style of organs in a resolute and sustained manner according to the principles of the central authorities. Since the improvement of party style is a long-term task, we must solve problems in a down-to-earth manner instead of conducting mass criticism, blindly drawing conclusions, and regarding this work as a movement. A basic method for improving party style is to carry out criticism and self-criticism on the basis of upgrading our understanding.

He pointed out: Activities in violation of the law and discipline should be made special cases for investigation and handling. The improvement of work style in organs should be carried out strictly and conscientiously in accordance with the party's policies. In short, we should make demands on party-member cadres in accordance with the current policies. The party-member cadres should also set strict demands on themselves. We should study and implement overall the guidelines of the circular of the central authorities on further achieving improvement of the work style in organs and strive to attain notable achievements in realizing a fundamental turn for the better in party style this year.

LI ADDRESSES LIAONING CPPCC COMMITTEE MEETING

SK190511 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 18 Jan 86

[Text] Li Guixian, secretary of the provincial CPC Committee, made a speech at the 15th enlarged Standing Committee meeting of the 5th provincial CPPCC Committee that concluded in Shenyang on 18 January.

Comrade Li Guixian said: In formulating the Seventh 5-Year Plan, we must fully consider and adopt the suggestions made by this meeting. From now on party committees at all levels should bring into full play the initiative of the united front, the CPPCC, all democratic parties, and particularly the advantages of the CPPCC in having various types of talented persons to engage in the four modernizations, to make contributions to reform, and opening to the outside world.

With regard to correcting the party style, Comrade Li Guixian said: The central authorities' call for central organs to take the initiative in correcting party style is a spur to our provincial organs. The provincial CPC Committee has determined that the provincial organs should first organize their cadres to study conscientiously and master the guidelines of the speeches of central leading comrades and make efforts to improve their party style, and then guide the city- and county-level organs to realize a turn for the better in party style. Comrade Li Guixian urged that nonparty CPPCC members should show concern for the party and help the party correct its party style, just as they did in the past when they were devoted to economic work, and try to make suggestions for economic development.

Governor Quan Shuren delivered a report on the current situation, reform, and the work of opening to the outside world to the CPPCC Standing Committee members. He introduced our province's current economic situation and analyzed the eight major changes in our province's economic work during the Sixth 5-Year Plan period.

Xu Shaofu, chairman of the provincial CPPCC Committee, presided over the meeting.

During the 5-day enlarged meeting, CPPCC members warmly discussed and basically affirmed the tentative outline for the province's Seventh 5-Year Plan and made many opinions and suggestions regarding the plan.

Bai Lichen, Standing Committee member of the provincial CPC Committee and vice governor of the province, and the relevant comrades of the provincial Planning and Economic Commission listened to the discussions and speeches made by CPPCC members.

GANSU LEADERS ATTEND PARTY RECTIFICATION MEETING

HK160902 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 14 Jan 86

[Text] The provincial CPC Committee leading group for party rectification work held a meeting yesterday of officials of departments under the provincial authorities. In connection with the issues of acting in the spirit of CPC Central Committee circular on eliminating all corrupt phenomena and acting in the spirit of Comrade Hu Yaobang's speech made at the central meeting of organ cadres, the meeting called on party committees of organs under the provincial authorities to take the lead in the work of party rectification.

Together with other participants, the provincial CPC Committee Deputy Secretaries Liu Bing, Jia Zhijie, Nie Dajiang, Lu Kejian and other comrades studied the speech of Comrade Hu Yaobang. They also listened to reports delivered by the economic, propaganda, and education departments on the work of party rectification.

The meeting attested that, generally speaking, all localities in the province have started party rectification work. However, many units have not yet really grasped it. Unhealthy tendencies are very serious in some localities. Therefore, our key task at present is to ensure that leadership at provincial, prefectural, and county levels stops paying lip service and handles the cases in a down-to-earth manner, one by one. Once they solve a typical case well, they will have mobilized the people on a large scale.

The meeting pointed out that in order to promote an in-depth development of party rectification work, leadership at various levels must seriously study and act in the spirit of the relevant central documents and the speech of Comrade Hu Yaobang made at the central meeting of organ cadres. The provincial organ cadres must first study and heighten their understanding, so as to play an exemplary role.

SHAANXI NOTICE ASKS STUDY OF CENTRAL SPEECHES

HK170329 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 16 Jan 86

[Excerpts] The provincial CPC Committee issued a circular on 16 January on seriously studying and implementing the spirit of the important speeches of Hu Yaobang and other leading central comrades delivered at the central organ cadre gathering. The circular demanded that provincial, prefectural, and county organs, and especially the provincial organs, seriously study these speeches, profoundly appreciate them, and resolutely implement them.

The circular pointed out that although the speeches of the leading central comrades were directed at the central organs, they were in fact talking about major affairs that the whole party must grasp this year and in the next few years. They are of extremely important guiding significance for our work. The provincial CPC Committee put forward four demands in its circular:

1. Seriously organize study of the speeches.

2. The party committees at all levels must put the question of correcting party style in the organs in an important place on their agenda. In improving party style, Shaanxi must start with the provincial, prefectural, and county organs, and especially the provincial organs.

3. Work hard at investigating and dealing with major criminal cases. No matter what level of organization and cadre is involved, all those who are questionable must be resolutely dealt with.

Those who are seriously in question and refuse to mend their ways, and leading cadres who are ineffective and incompetent in leading the correction of unhealthy trends, must be promptly removed or transferred to other work. All levels must set up leadership groups for straightening out party style in the organs.

XINJIANG PLA MEETING STUDIES YANG SHANGKUN SPEECH

HK170207 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 16 Jan 86

[Text] From 14 to 16 January, the CPC Committee of the units directly subordinate to Xinjiang Military District held an enlarged meeting which seriously studied Comrade Yang Shangkun's speech at the central organ cadre gathering. The participants pledged to respond to the call of the Central Military Commission and ensure that the military district lead other units in correcting party style and in striving for a fundamental turn for the better in party style by year end.

The meeting held that the proposal of the Central Military Commission that the Army should advance ahead of the others in straightening out party style is extremely correct. In Xinjiang Military District, the headquarters and the units directly subordinate should advance ahead of the other units and of the whole region. We must start with the secretary, deputy secretaries, and Standing Committee members of the CPC Committee and the cadres at and above regimental level, start with ourselves, and start right now in carrying out point-by-point comparison and examination. Apart from setting an example, the leaders at all levels must also do well in educating and looking after their children, and lead a turn for the better in party style through their own model actions.

The party-member cadres must be bold in exposing contradictions, conduct comparison and examination, and engage in simultaneous rectification and correction. It is necessary to uphold the party's organizational life system, correctly unfold criticism and self-criticism, strengthen discipline, and decide on the implementation of specific measures.

The participants also held that in rectification of the second group of units and below regimental-level in the second stage of party rectification, it is necessary to strictly act according to the demands of party rectification in conducting education for the party-member cadres in party style, spirit, and discipline. Units at and above divisional-level which have concluded party rectification must carry out a review and resolutely correct unhealthy trends of indulging in malpractices during and after rectification. We must certainly not indulge and appease party-member cadres, especially leading cadres, who are seriously in question. We must deal with them seriously in accordance with party and military discipline and state law. We must get a good grasp of handling major criminal cases and severely punish the culprits.

CHIEN CHIDES REPORTERS ON ARMS SALES ISSUE

OW200602 Taipei CHINA POST in English 17 Jan 86 p 12

[Text] Long noted for his criticism of local reporters, Fredrick Chien yesterday once again reprimanded local reporters for pressing visiting American senators and congressmen too hard on U.S. arms sales to the ROC. At a press conference held on the eve of his return to his post as the representative of the Coordination Council for North American Affairs (CCNAA) in Washington D.C., Chien said that diplomatic work is a long-range task. To win American friends' support for free China, for instance, he was invited to make 54 speeches last year in the U.S.

"The visiting American dignitaries do not owe us anything. Is it a good way to treat your friends by requesting them to sell us this and that right after they land on Taiwan?" he said.

He reiterated that it is premature to ask the U.S. to sell Taiwan F-20 jet fighters before the plane has been produced. According to his understanding Northrop will start producing the F-20 jet fighters only with a minimum order of 300 planes, and it is impossible for the ROC to place such a huge order.

Influenced by the August 17 communique signed between Peking and Washington, Chien admitted that U.S. arms sales to free China in fiscal 1985 were reduced by U.S. $20 million to reach U.S. $760 million. He however emphasized that the U.S. pledge to ensure the security of the Taiwan Straits has not been changed. "To seek more U.S. arms sales for Taiwan, we should emphasize the common interests of the ROC and the U.S. such as the Soviet Navy and Air Force buildup in the Pacific" he said. Chien added that the U.S. concern about Sino-American trade are not merely related to the trade gap but to gaining open and free markets from its trading partners as well. And as far as free trade is concerned, Chien noted that the U.S. may stress Canada and Singapore.

Chien also took the opportunity to make some clarifications. He denied rumors that he met some obstacles trying to communicate with the "highest authority" and his superiors. He pointed out that President Chiang Ching-kuo received him three times in his office to give him directives on his future work, though he refused to reveal the details. He also sternly denied that he is going tobe minister of foreign affairs if a cabinet shakeup occurs after the meeting of the third plenary session of the Central Committee of the Kuomintang on March 29. Chien will return to Taipei at that time.

When asked about the methods to stem the exodus of minors from Taiwan to be educated in America, Chien said that the Ministry of Education has been trying to assist them to come back to the nation, and he agreed that the best way is to extend their visas to legalize their status in America first.

Chien returned to the nation on Dec. 28 for consultations. During his three-week stay in Taiwan, he paid a visit to Kinmen.

CHINA POST VIEWS POWER STRUGGLE IN PRC

OW170614 Taipei CHINA POST in English 14 Jan 86 p 4

[Editorial: "Chinese Communist Power Struggle Intensified"]

[Text] The struggle for power on the Chinese mainland has grown more intense because economic reforms have been bogged down as they have produced widespread corruption and ill winds on the Chinese mainland. As a result of these developments, the Chinese Communist hierarchy, headed by Hu Yao-pang, convened on Jan. 6 and Jan. 9 two urgent conferences of high-ranking cadres to discuss these developments and arrest the rampant problems born of the economic reforms.

Many top-ranking cadres addressed those conferences and expressed their views that these ill winds and corrupt practices are the result of reforms for modernization of the mainland, which gave the cadres opportunities to accept bribes and engage in illicit business dealings. Those cadres include many offspring of top Chinese Communist leaders, including the children of Yeh Chien-ying, and some Central Committee members' children such as those of "Premier" Chao Tzu-yang.

During the conferences, Chen Yun made accusations against the Tengists for their failure in pursuing successful economic reforms. Teng Hsiao-ping must have realized the seriousness of this situation and given an order on Jan 2 to slacken the pace of the reforms. His political restraints will cause another lurch in the momentum of his reform drive. The Peking regime plans to postpone further price reforms and hold capital spending to the 1985 level.

Price reforms have caused much grumbling about rising food prices and the 11 percent rate of inflation. They also have depleted Chinese Communist foreign exchange reserves to a dangerous low of less than U.S. $6 billion. The people of the Chinese mainland have demanded more purchases of electrical appliances, better housing and more fashionable clothing. The Peking regime has to reduce imports of such items from Japan as well as ban further importation of cars.

Chen Yun, favoring central planning, criticized the "blind" reliance on supply and demand. Many conservatives have joined with Chen in "voicing their criticisms of Teng's market-oriented economy. As a result of their criticisms the Chinese Communist's top level of reformers launched on Jan 10 an unprecedented drive against high-level corruption and unethical practices. A new leading group was organized to take charge of the rectification campaign in the central department with strict punishment for offenders.

The failure of Teng's economic reforms has shaken the Tengists' confidence and forced them to change their economic policy somewhat. However, such changes are merely a zig in a long series of zig zags by the Chinese Communists. It does not mean that the Tengists have abandoned Communism or Marxism and adopted capitalism or followed the capitalist road. But since the people of the Chinese mainland have already tasted the joy of luxury goods and capitalist life, it should be difficult to order them to resume the old life of austerity and utter poverty. Their discontent will prove to be the hidden explosive in the long run to destroy the Chinese Communist regime. The recent student demonstrations are the forerunner of such explosions. They have forced the Chinese Communists to handle the situation delicately and not to resort to harsh repressive measures for fear of a massive student revolt.

The Peking regime is truly sitting on an explosive power keg and does not know when it will explode to destroy the Chinese Communists. Only the people of the Republic of China are sure that the day of such an explosion is drawing nearer day by day as the people of the Chinese mainland are demanding to live under the Three Principles of the People as we are doing here.

WEN WEI PO ON SINO-SOVIET, SINO-U.S. RELATIONS

HK200518 Hong Kong WEN WEI PO in Chinese 20 Jan 86 p 2

[Editorial: "Playing Neither the Soviet Nor the American Card"]

[Text] In a report on foreign affairs for 1985 recently given to the NPC Standing Committee, Foreign Minister Wu Xueqian pointed out: China is determined to pursue an independent and peaceful foreign policy which is the most correct and most powerful one adopted by the country since the founding of New China. This statement is well grounded. Compared with China's performance in the past, the country played a particularly active role in the field of diplomacy last year and made particularly great progress in promoting international cooperation.

In the 1950's China pursued the policy of "leaning toward the Soviet side" and followed the Soviet elder brother's lead in foreign affairs, showing a lack of initiative.

In the 1960's, China oppposed both U.S. imperialism and socialist imperialism, hitting two enemies with both fists. As a result, China was faced with pressure from the two sides and was forced to dig "deep air raid shelters and store grain on a large scale." Domestic economic construction was affected adversely as well.

In the 1970's, China readjusted its foreign policy featuring fighting on two fronts. By "drawing a demarcation line between us and the Soviet Union," China placed the emphasis on opposition to the Soviet Union. The United States took the opportunity to play the "China card." Trapped in the U.S.-Soviet-Chinese triangular relations, China failed to keep the initiative in its own hands and fully to promote cooperation with Third World countries.

Since 1980, China has begun to sum up its experience and draw lessons from its past diplomatic performance. It has adopted an independent and realistic foreign policy, refused to align with any superpower, and thus has freed itself from the control of any superpower. The strategic readjustment of its diplomatic line had been completed and the current diplomatic line had taken shape by last year, showing its might and initiative. China's diplomatic work is fully geared to the needs of safeguarding world peace and its sovereignty and security, as well as to the goal of the four modernizations. China does not have to consider playing either the "Soviet card" or the "American card," and is free from the influence of the will of the superpowers. China promotes friendship and cooperation with other countries as long as it is in the interests of its economic development and world peace. China opposes any country which seeks hegemony, jeopardizes world peace, threatens China's security, or intervenes in China's internal affairs. Therefore, China's diplomacy has shown a high degree of initiative and is powerful. China has played a very active role and won over more friends. As its foreign policy is in keeping with the worldwide trend of supporting peace and opposing war, China has won higher prestige in the world. Regarding the Taiwan issue, China has upheld justice and shown great courage, and has thus frustrated the United States in its attempt to obstruct the reunification of China. With regard to the three major obstacles to the normalization of Sino-Soviet relations, China has assumed an active attitude while adopting a hard line, sternly rejecting the Soviet Union's request for signing a nonaggression treaty. Meanwhile, the Soviet Union has found itself with no argument.

It is because China has adopted an independent foreign policy that it does not have to make "deals under the table" in the triangular relations. It does not need to draw one side in while exerting pressure on the other side.

It will neither cool down Sino-Soviet relations in the interests of the development of Sino-U.S. relations, nor drift from the United States because of the need for detente between China and the Soviet Union. In fact, 1985 has witnessed development of economic cooperation between China and the United States and a drastic increase in the volume of trade between China and the Soviet Union. All these developments are favorable to China's economic growth.

Recently, in consideration of the new summit round between the Soviet Union and the United States to be held this year, both the Soviet Union and the United States have shown the intention of playing the "China card." They have been showing their desire to meet with Chinese leaders, with the aim of gaining superiority over each other in regard to a strategic balance, adding to their own bargaining counter, and exerting pressure on each other.

The fact is that China will not be made use of by the United States and the Soviet Union as a "card." For this reason, China is very likely to postpone its leaders' meeting with their U.S. and Soviet counterparts before the U.S.-Soviet summit. China wants a real relaxation of world situation rather than superiority over rivals by "playing cards." Since China believes that " playing cards" will do no good to world peace and the real development of bilateral relations, of course it will not rush to join the "card game."

PREPARATIONS REPORTED FOR 'SANXIA PROVINCE'

HK200248 Hong Kong WEN WEI PO in Chinese 20 Jan 86 p 1

[Report from correspondent Li Chao-hui and contributing correspondent Lu Chih: "Preparations Are Being Stepped Up for Sanxia Province"]

[Text] The preparatory work group for the establishment of China's 31st provincial-level administrative region -- Sanxia Province -- has begun its work in Yichang City, Hubei Province. Sanxia Province will be established upon the approval of the NPC. It has been learned that Wanxian Prefecture and Fuling Prefecture of Sichuan Province and most counties and cities of Yichang Prefecture of Hubei Province will be under the jurisdiction of Sanxia Province. Badong County of Enshi Prefecture will also be put under the jurisdiction of the new province.

At present, the preparatory work group for Sanxia Province, which includes some experts from the Ministry of Water Resources and Electric Power, is busy studying the plan for large-scale migration of people to this province.

It has been learned that the gigantic Sanxia project will cost more than $10 billion. The reservoir zone will be at least 50 km long. The future Sanxia Province will have a population of at least 300,000 people, and the population will gradually grow to 700,000 people. All migration of people must be completed within 10 years after the project begins.

The migration will be an arduous task for Sanxia Province. At present, some new factories and farms have been built in this region. Preparations are being stepped up for the construction of electricity supply and transportation facilities and for the construction of some new towns. In addition, the preparatory work group for Sanxia Province is also planning the development of aquiculture and tourism. The development of all these industries is part of the large-scale migration plan.

It is estimated that hundreds of thousands of people will be involved in the migration plan. Most of these people will be urban residents, and just less than half of the migrants will be rural people. It has been stated that the future Sanxia reservoir will not submerge a whole township and very few villages will be wholly submerged so the original administrative units will be maintained.

As early as the 1950's, Premier Zhou Enlai clearly instructed that large construction projects be carried out at a height of 200 meters and more above sea level. All important institutions, schools, and high buildings in the area around the reservoir zone are located at high places that will not be submerged by water when the reservoir is completed.

The preparatory work group for Sanxia Province is optimistic about the province's future development and the execution of the large-scale migration plan. They hold that the investment in this area will turn Sanxia area into a rich and beautiful province.

SHENZHEN TO INTRODUCE SECOND CONTROL LINE

HK180830 Hong Kong WEN WEI PO in Chinese 18 Jan 86 p 1

["Special Dispatch" from correspondent Kuang Yu in Zhuhai: "Shenzhen Special Zone Control Line To Be Brought Into Use in First Half of This Year"]

[Text] It is expected that the Shenzhen special zone control line (that is, the second line) will be officially put into use in the first half of this year. There will be no control lines in the Zhuhai and Shantou Special Economic Zones. They will exercise control by stationing guards and building checkposts at various points of contact with the outside world. The Xiamen Special Economic Zone will exercise control along the whole length of its borders by building a checkpost (at Gaoqi), by strengthening sea patrols, and by stationing supervisory personnel in the enterprises and the industrial zones. The system and regulations governing the management of the first lines in the special zones (that is, the one between Shenzhen and Hong Kong and the one between Zhubai and Macao) will remain unchanged for some time.

It is said that the facilities of the Shenzhen special zone control line, including a checkpost with six passageways and a 80 km patrol highway, have been completed. Since August of last year, when the line was put into use on a trial basis, some experience has been gained. The work to exercise control along the borders of the special zones and to provide a favorable environment for foreign investment will gradually be improved.